
ValuStrat
Private & Confidential

Valuation Report

Al-Andalus Mall & Hotel, Jeddah, KSA

Al Ahli REIT Fund (1) / NCB Capital / NCB Group

REPORT ISSUED 10 FEBRUARY 2021

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1 EXECUTIVE SUMMARY

THE EXECUTIVE SUMMARY AND VALUATION SHOULD NOT BE CONSIDERED OTHER THAN AS PART OF THE ENTIRE REPORT.

1.1 THE CLIENT

AlAhli REIT Fund (1) and NCB Capital / NCB Group

1.2 THE PURPOSE OF VALUATION

The valuation is required for the year-end exercise of AlAhli REIT Fund (1).

1.3 INTEREST TO BE VALUED

The following property details are part of the scope of this valuation exercise:

Property Details	
Owner Name.	AlAhli REIT Fund (1)
Property Type	Al Andalus Mall & Staybridge Suites Hotel
Age of Property	Mall – circa. 14 years old (2007) Hotel – circa. 3 years old (2018)
Use	Commercial Use (mall & hotel)
Location	Al- Fay'ha District, Jeddah, KSA
GPS Co-ordinates	21°30'24.0"N 39°13'05.0"E
Land Area (sq. m)	159,133.96 sq. m
Interest	Freehold
Title Deed No.	320211029670
Title Deed Date	23/10/1440 Hijri

Source: Client 2020

1.4 VALUATION APPROACH

The valuation has been undertaken using the Investment Approach - Discounted Cash Flow (DCF) for Al Andalus Mall, and the Trading Performance Approach – Profits Method for the Hotel. For the vacant land adjacent to the mall, we undertaken the comparative approach to valuation.

1.5 DATE OF VALUATION

Unless stated to the contrary, our valuation has been assessed of 31 December 2020.

The valuation reflects our opinion of value as at this date. Property values are subject to fluctuation over time as market conditions may change.

1.6 SUMMARY OF VALUE

Property Name	*Exit Yield (%)*	*Discount Rate (%)*	*Value (SAR) [Rounded]*
Al Andalus Mall, Jeddah	8.5%	11%	1,149,000,000
Adjacent Land to Mall	-	-	46,000,000
Al Andalus Mall Hotel, Jeddah	9%	11.5%	153,000,000
Aggregate Value (SAR)			1,348,000,000

This executive summary and valuation should not be considered other than as part of the entire report.

1.7 SALIENT POINTS (GENERAL COMMENTS)

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries across the globe. Market activity is being impacted in many sectors. Despite short term challenges whereby force majeure (as a result of the pandemic cause beyond anyone's reasonable control) has created inactivity in the real estate market with the market currently at a standstill. Although we understand investor sentiment remains strong as it was prior to the virus pandemic and the KSA was on an upward trajectory showing growth in the last quarter of 2019 after a period of subdued market conditions. With all positive activity and investment by the government creating opportunities through projects across the Kingdom and through the creation of the Giga projects and now a stimulus package of SAR 120 billion, we understand the market will bounce back with investors and buyers having a strong appetite. We understand the current uncertainty and market stagnation will not allow a fairly resilient market to stop where it left off prior to the pandemic. In short, we suspect the pandemic effect to be a short-term shock and expect a rapid recovery and a surge in business activity to bounce back allowing markets to start flourishing towards a growth cycle.

Accordingly, to inform opinions of value(s), we have adjusted figures accordingly since our last valuation exercise (June 2020).

Our valuation(s) are therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of the property(s) under frequent review.

We are unaware of planning or other proposals in the area or other matters which would be of detriment to the subject land, although your legal representative should make their usual searches and enquiries in this respect.

We confirm that on-site measurement exercise was not conducted by ValuStrat, and we have relied on the site areas specified by the Client. In the event that the areas of land and site boundary prove erroneous, our opinion of Market Value may be materially affected, and we reserve the right to amend our valuation and report.

We have assumed that the land is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings and good title can be shown. For the avoidance of doubt, these items should be ascertained by the client's legal representatives.

ValuStrat draws your attention to any assumptions made within this report. We consider that the assumptions we have made accord with those that would be reasonable to expect a purchaser to make. We are unaware of any adverse conditions which may affect future marketability for the subject site.

This report should be read in conjunction with all the information set out in this report, we would point out that we have made various assumptions as to tenure, town planning and associated valuation opinions. If any of the assumptions on which the valuation is based is subsequently found to be incorrect then the figures presented in this report may also need revision and should be referred back to the valuer.

Note property values are subject to fluctuation over time as market conditions may change.

This executive summary and valuation should not be considered other than as part of the entire report.

2 VALUATION REPORT

2.1 INTRODUCTION

Thank you for the instruction regarding the subject valuation service.

We ('ValuStrat', which implies our relevant legal entities) would be pleased to undertake this assignment for AlAhli REIT Fund (1) / NCB Capital / NCB Group ('the client') of providing valuation services for the subject land mentioned in this report subject to valuation assumptions, reporting conditions and restrictions as stated hereunder.

2.2 VALUATION INSTRUCTIONS / PROPERTY INTEREST TO BE VALUED

Property Details	
Owner Name.	AlAhli REIT Fund (1)
Property Type	Al Andalus Mall & Staybridge Suites Hotel
Age of Property	Mall – circa. 14 years old (2007) Hotel – circa. 3 years old (2018)
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Location	Al- Fay'ha District, Jeddah, KSA
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Land Area (sq. m)	159,133.96 sq. m
Interest	Freehold
Title Deed No.	320211029670
Title Deed Date	23/10/1440 Hijri

Source: Client 2020

2.3 PURPOSE OF VALUATION

The valuation is required for the year-end exercise of AlAhli REIT Fund (1).

2.4 VALUATION REPORTING COMPLIANCE

The valuation has been conducted in accordance with Taqeem Regulations (Saudi Authority for Accredited Valuers) in conforming to International Valuation Standards Council (IVSCs') and International Valuations Standards (IVS).

It should be further noted that this valuation is undertaken in compliance with generally accepted valuation concepts, principles and definitions as promulgated in the IVSCs International Valuation Standards (IVS) as set out in the IVS General Standards, IVS Asset Standards, and IVS Valuation Applications.

2.5 BASIS OF VALUATION

2.5.1 MARKET VALUE

The valuation of the subject property, and for the above stated purpose, has been undertaken on the ***Market Value*** basis of valuation in compliance with the above-mentioned *Valuation Standards* as promulgated by the IVSC and adopted by the RICS. ***Market Value*** is defined as: -

The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties have each acted knowledgeably, prudently and without compulsion.

The definition of ***Market Value*** is applied in accordance with the following conceptual framework:

"***The estimated amount***" refers to a price expressed in terms of money payable for the asset in an arm's length market transaction. *Market value* is the most probable price reasonably obtainable in the market on the *valuation date* in keeping with the *market value* definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of *special value*;

"***an asset should exchange***" refers to the fact that the value of an asset is an estimated amount rather than a predetermined amount or actual sale price. It is the price in a transaction that meets all the elements of the market value definition at the *valuation date*;

"***on the valuation date***" requires that the value is time-specific as of a given date. Because markets and market conditions may change, the estimated value may be incorrect or inappropriate at another time. The valuation amount will reflect the market state and circumstances as at the *valuation date*, not those at any other date;

"***between a willing buyer***" refers to one who is motivated, but not compelled to buy. This buyer is neither over eager nor determined to buy at any price. This buyer is also one who purchases in accordance with the realities of the current market and with current market expectations, rather than in relation to an imaginary or hypothetical market that cannot be demonstrated or anticipated to exist. The assumed buyer would not pay a higher price than the market requires. The present owner is included among those who constitute "the market";

"***and a willing seller***" is neither an over eager nor a forced seller prepared to sell at any price, nor one prepared to hold out for a price not considered reasonable in the current market. The willing seller is motivated to sell the asset at market terms for

the best price attainable in the open market after proper marketing, whatever that price may be. The factual circumstances of the actual owner are not a part of this consideration because the willing seller is a hypothetical owner;

"***in an arm's-length transaction***" is one between parties who do not have a particular or special relationship, e.g. parent and subsidiary companies or landlord and tenant, that may make the price level uncharacteristic of the market or inflated because of an element of *special value*. The *market value* transaction is presumed to be between unrelated parties, each acting independently;

"***after proper marketing***" means that the asset would be exposed to the market in the most appropriate manner to effect its disposal at the best price reasonably obtainable in accordance with the *market value* definition. The method of sale is deemed to be that most appropriate to obtain the best price in the market to which the seller has access. The length of exposure time is not a fixed period but will vary according to the type of asset and market conditions. The only criterion is that there must have been sufficient time to allow the asset to be brought to the attention of an adequate number of market participants. The exposure period occurs prior to the *valuation date*;

'***where the parties had each acted knowledgeably, prudently***' presumes that both the willing buyer and the willing seller are reasonably informed about the nature and characteristics of the asset, its actual and potential uses and the state of the market as of the *valuation date*. Each is further presumed to use that knowledge prudently to seek the price that is most favorable for their respective positions in the transaction. Prudence is assessed by referring to the state of the market at the *valuation date*, not with benefit of hindsight at some later date. For example, it is not necessarily imprudent for a seller to sell assets in a market with falling prices at a price that is lower than previous market levels. In such cases, as is true for other exchanges in markets with changing prices, the prudent buyer or seller will act in accordance with the best market information available at the time;

'***and without compulsion***' establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it.

Market value is the basis of value that is most commonly required, being an internationally recognized definition. It describes an exchange between parties that are unconnected (acting at arm's length) and are operating freely in the marketplace and represents the figure that would appear in a hypothetical contract of sale, or equivalent legal document, on the valuation date, reflecting all those factors that would be taken into account in framing their bids by market participants at large and reflecting the highest and best use of the asset. The highest and best use of an asset is the use of an asset that maximizes its productivity and that is possible, legally permissible and financially feasible.

Market value is the estimated exchange price of an asset without regard to the seller's costs of sale or the buyer's costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction.

It should be further noted that the subject property (hotel component) is best described as a trade related property that is a property that is trading and is commonly sold in the market as an operating asset with trading potential, and for which ownership of such a property normally passes with the sale of the business as an operational entity.

2.5.2 VALUER(S):

The Valuer on behalf of ValuStrat, with responsibility is Mr. Ramez Al Medlaj (Taqeem Member) having sufficient and current knowledge of the Saudi market and the skills and understanding to undertake the valuation competently.

Also Mr. Ramez Al Medlaj (Taqeem Member) is a local Arabic specialist having knowledge, skills and understanding of the market and valuation. We further confirm that either the Valuer or ValuStrat have no previous material connection or involvement with the subject of the valuation assignment apart from this same assignment undertaken back in June 2020.

2.5.3 STATUS OF VALUER

Status of Valuer	*Survey Date*	*Valuation Date*
External Valuer	30 December 2020	31 December 2020

2.6 EXTENT OF INVESTIGATION

In accordance with instructions received we have carried out an external and internal inspection of the property. The subject of this valuation assignment is to produce a valuation report and not a structural / building or building services survey, and hence structural survey and detailed investigation of the services are outside the scope of this assignment.

We have not carried out any structural survey, nor tested any services, checked fittings of any parts of the property. Our internal inspection was limited to common areas of the property including the ground floor areas, mezzanine floor area, other commercial areas, and a representative sample of areas.

For the purpose of our report we have expressly assumed that the condition of any un-seen areas is commensurate with those which were seen. We reserve the right to amend our report should this prove not to be the case.

2.7 SOURCES OF INFORMATION

For the purpose of this report, it is assumed that written information provided to us by the Client is up to date, complete and correct in relation to title, planning consent and other relevant matters as set out in the report. Should this not be the case, we reserve the right to amend our valuation and report.

2.7.1 VALUATION ASSUMPTIONS / SPECIAL ASSUMPTIONS

This valuation assignment is undertaken on the following assumptions:

That no contaminative or potentially contaminative use has ever been carried out on the site; we assume no responsibility for matters legal in character, nor do we render any opinion as to the title of the property, which we assume to be good and free of any undisclosed onerous burdens, outgoings, restrictions or other encumbrances. Information regarding tenure and tenancy must be checked by your legal advisors; This subject is a valuation report and not a structural/building survey, and hence a building and structural survey is outside the scope of the subject assignment. We have not carried out any structural survey, nor have we tested any services, checked fittings or any parts of the structures which are covered, exposed or inaccessible, and, therefore, such parts are assumed to be in good repair and condition and the services are assumed to be in full working order; we have not arranged for any investigation to be carried out to determine whether or not any deleterious or hazardous material have been used in the construction of the property, or have since been incorporated, and we are therefore unable to report that the property is free from risk in this respect. For the purpose of this valuation we have assumed that such investigations would not disclose the presence of any such material to any significant extent; that, unless we have been informed otherwise, the property complies with all relevant statutory requirements (including, but not limited to, those of Fire Regulations, Bye-Laws, Health and Safety at work); we have made no investigation, and are unable to give any assurances, on the combustibility risk of any cladding material that may have been used in construction of the subject building. We would recommend that the client makes their own enquiries in this regard, and the market value conclusion arrived at for the property reflect the full contract value and no account is taken of any liability to taxation on sale or of the costs involved in effecting the sale.

2.8 PRIVACY/LIMITATION ON DISCLOSURE OF VALUATION

This valuation is for the sole use of the named Client. This report is confidential to the Client, and that of their advisors, and we accept no responsibility whatsoever to any third party. No responsibility is accepted to any third party who may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to the Client to whom it is authorised.

2.9 GENERAL DESCRIPTION & CONDITION

The subject property comprises a retail shopping mall (Al Andalus Mall), with an inter-linked 164 key hotel rooms / suites tower.

The Andalus mall is a super-regional mall built circa. 14 years ago (opened July 2007) and is an enclosed 2 floor building anchored by Hyper Panda which is located on first floor level, underneath is a covered parking area at ground floor level.

The first floor contains fun zone area with a sports facility on the 2nd floor with an artificial football pitches, basketball courts and trampolines.

The mall is well represented with the good mix of anchors, sub-anchors, line shops, etc. For ease of reference refer to tenancy roll (schedule) at the appendices section. The mall is built of traditional reinforced concrete frame with block infill with part glazing at entrances areas with steel frame sections with a concrete flat surface roof over Hyper Panda.

Refer to a selection of photographs below and further photographs at the appendices section.






The mall benefits from over 3,000 parking spaces both external and covered parking. For ease of reference refer to layout plans below on the succeeding pages provided by the client assumed to be correct and accurate.

Ground Floor Plan

: VACANT

First Floor Plan

: VACANT

From the above layout plan as evidenced by the ground floor plan there are a number of entrances allowing for effective customer circulation and footfall.

The mall consists of a total of 516 units, of which 482 units are occupied/lease out with the remainder 34 as vacant units as of the date of valuation.

The mall was extended in 2016 which is fully operational and occupied along with the food court being refurbished in 2017.

Mall Configuration and Occupation Analysis

Al Andalus Mall (Ground Floor)			
Type	**Occupied**	**Vacant**	**Total**
Shops	190	4	194
Kiosks	47	3	50
ATM's	8	1	9
Warehouses	10	1	11
Advertising	3	0	3
Misc.	8	0	8
Total	266	9	275

Al-Andalus Mall (First Floor)			
Particulars	**Occupied**	**Vacant**	**Total**
Shops	140	16	156
Kiosks	29	4	33
Food Courts	27	2	29
Hyper	1	0	1
Warehouses	11	3	14
Cinema	5	0	5
Total	213	25	238

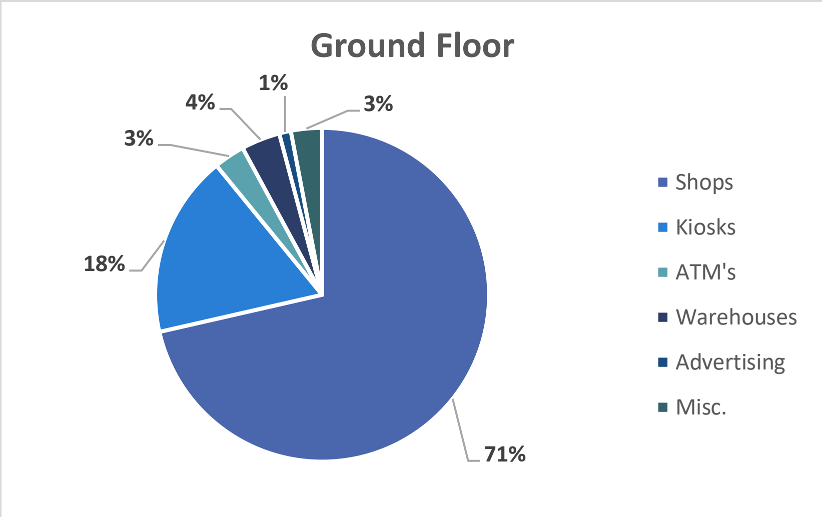
Al-Andalus Mall Second Floor			
Particulars	**Occupied**	**Vacant**	**Total**
Ministry of Interior	1	0	1
GOAL	1	0	1
Studio	1	0	1
Total	3	0	3

Total Mall Units	
Total Leasable Area (sq. m)	87,118
Total Units	516

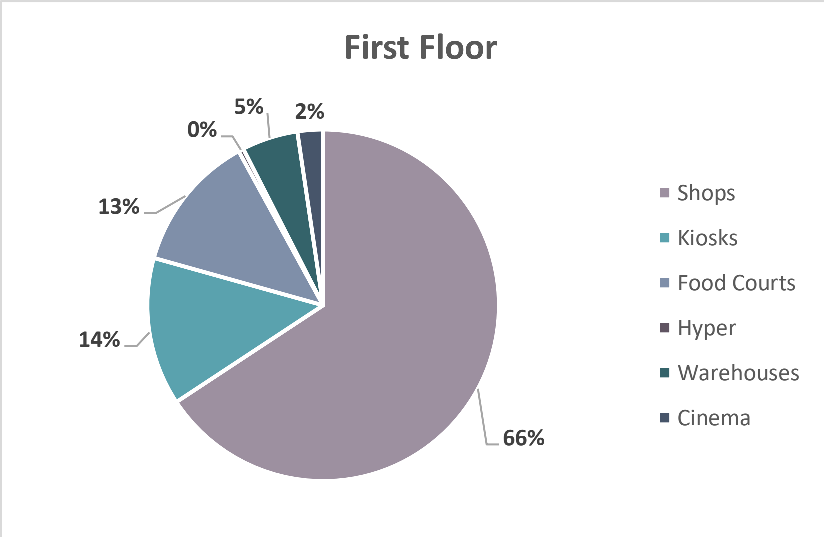
Source: Client 2020

2.9.1 GRAPHIC OCCUPATION ANALYSIS OF AL ANDALUS MALL

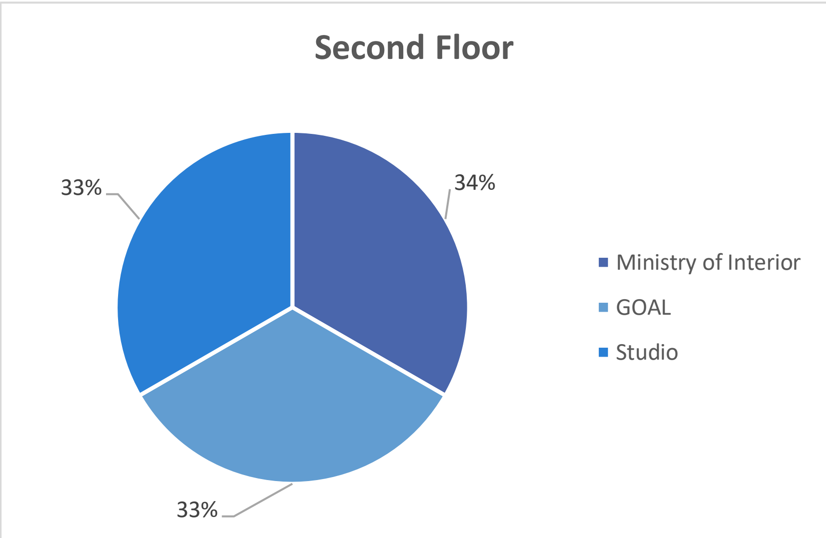
The ground floor percentage breakdown of unit areas.



The first-floor percentage breakdown of unit area.



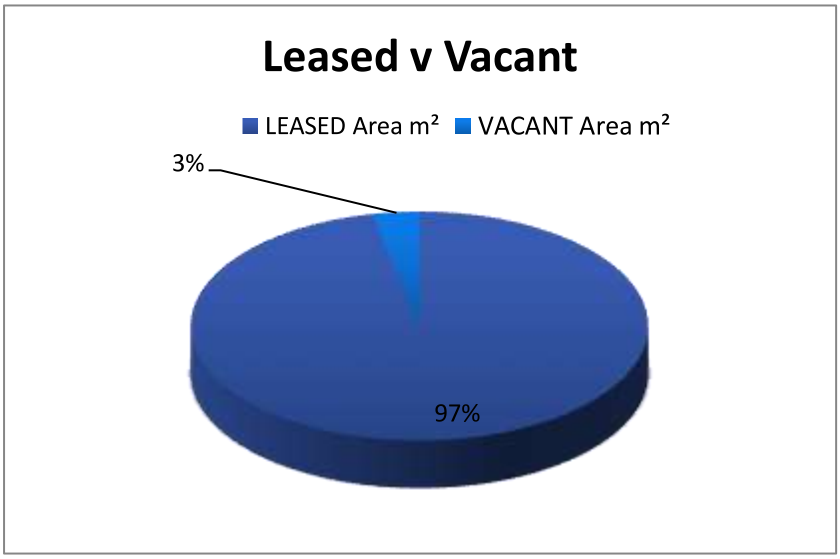
The second-floor percentage breakdown of the second floor.



2.9.2 OCCUPANCY BASED ON GROSS LEASEABLE AREA (GLA)

	Total GLA (sq. m)	%
Occupied	87,118	97%
Vacant	2,856	3%
Total	*89,973	100%

*Source: Client 2020; * we assume it is correct and accurate.*



2.9.3 AL ANDALUS HOTEL

The hotel suite tower was completed and opened in May 2017 consists of 16 storeys 164 suite hotel tower with a basement level and has extensive parking at the podium level. The subject is a 5-star deluxe suites / rooms adjacent and inter-linked to Al Andalus Mall. The subject hotel has a built-up area of 28,255 sq. m providing 164 guest rooms with a breakdown referred below. The hotel benefits from 7 meeting rooms, 2 F&B outlets, swimming pool, tennis court and a gymnasium. The hotel suite configuration is as follows:

Room Configuration and breakdown		
Unit	Unit Quantity	Gross Internal Areas (GIA) sq. m
One Bedroom (type 1)	75	65-85
One Bedroom (type 2)	15	65-86
Two Bedroom (type 1)	15	110
Two Bedroom (type 2)	15	100
Studio (type 1)	14	55
Studio (type 2)	15	50
Studio (type 3)	15	60-69
Total Keys	164	

A selection of photographs and further photographs at the appendices section for Al Andalus Hotel.

2.10 LOCATION

The subject land is situated at the junction and intersection of Prince Majid Rd and King Abdullah Road, within Al Fay'ha District of Jeddah, Kingdom of Saudi Arabia. (GPS Co-ordinates: 21°30'23.42"N 39°13'4.91"E). The subject property is strategically located in the heart of the city center area on King Abdullah Road at the intersection with Prince Majid Road. King Abdulaziz International Airport is approximately 25km away and King Abdulaziz University Hospital is approximately 4.7km. The subject land extends to a total area of approximately 159,133.96 sq. m. For ease of reference refer to the below illustrations for the location.

Source: Google 2020; For illustration purposes only

We have physically inspected the boundary of the site and whilst there does not appear to be any encroachments; however, no warranty can be given without the provision of an identification survey. For ease of reference refer to the illustration below.

Source: Jeddah - Map 2020; for illustration purposes only

2.9.1.1 PROXIMITY TO MAJOR DEVELOPMENTS

The subject property is very accessible to important landmarks in Jeddah thru the Prince Mohammed Bin Abdul Aziz Road.

The table and illustration below further show the approximate distance of the subject property relative to some notable developments in the city.

Landmarks	Distance from subject property (km.)
Red Sea / Corniche Area	17.5
Al Haramain Expressway	6.9
Jeddah Islamic Port	5.5
King Abdul Aziz International Airport	18
South Obhur Area	25
Jeddah Economic City/Kingdom Tower	28

Source: Google Extract 2020 - For Illustrative Purposes Only.

Jeddah City is the second largest city of Saudi Arabia, next to the capital city of Riyadh. It has the largest seaport along Red Sea and is considered an important commercial hub. Some of the major developments in the city and the Makkah region are as follows:

Haramain High Speed Railway

This development has improved the infrastructure and accessibility within the three main cities of Makkah Region (Jeddah, Madinah & Makkah).

The Haramain High Speed Rail project also known as the "Western Railway" or "Makkah-Medina high speed railway", is 453 kilometers (281.5 miles) high-speed inter-city rail transport system under construction in Saudi Arabia. It will link the Muslim holy cities of Medina and Mecca via King Abdullah Economic City, Rabigh, Jeddah, and King Abdulaziz International Airport. It will connect with the national network at Jeddah.

The rail line is planned to provide a safe and comfortable transport in 300 kilometers per hour (190 mph) electric trains. The railway is expected to carry three million passengers a year, including many Hajj and Umrah pilgrims, helping to relieve traffic congestion on the roads. It will allow 9,000 passengers per hour and shortening the travel time from Madinah to Makkah to two hours. The main station is in Al Rusaifah District with arrival and departure halls, commercial stalls, prayer room, parking space, car rental offices, public sector services and offices, and restaurants. The train project opened earlier in October 2018.

Jeddah Economic City

Previously known as Kingdom City, this project covers 5.3 million square meters of land along the red sea. It will host both commercial and residential developments including villas, apartments, hotels and offices.

The centerpiece of this development is the Jeddah Kingdom Tower which is planned to be the tallest building in the world upon completion. The project is estimated to cost SAR 75 Billion and scheduled completion date is around 2023.

King Abdulaziz International Airport expansion

The airport expansion is needed as Saudi Arabia seeks to meet demand from religious tourism to the holy city of Mecca. Approximately 2.5 million people visit Mecca during the Hajj period alone, and this is projected to rise to 4 million in the next few years. It is designed to increase the airport's yearly capacity from 13 million to 80 million passengers. Expansion includes a 670,000 square meters passenger terminal complex with a twin crescent footprint.

It will include 46 contact gates, 94 boarding bridges, lounges, an airside hotel, food and retail facilities. The terminal will be able to handle double-deck A380 and include a baggage handling system with nearly 60 kilometers of belts. Automated People Movers will link the new terminal with other facilities of the airport.

2.10.1 REPAIR AND CONDITION

The general condition of the subject mall (opened 2007) is commensurate with a well-maintained building of this age and type. The subject hotel suite opened operation in 2018).

We have not carried out a Building Survey nor tested services, nor have we inspected those parts of the property, which are covered, unexposed or inaccessible and such parts have been assumed to be in good repair and condition.

We cannot express an opinion about or advise upon the condition of the uninspected parts and this report should not be taken as making implied representation or statement about such parts.

2.11 ENVIRONMENT MATTERS

We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination.

In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative use has ever been carried out on the property.

We have not carried out any investigation into past or present use, either of the property or of any neighbouring land, to establish whether there is any contamination or potential for contamination to the subject property from the use or site and have therefore assumed that none exists.

However, should it be established subsequently that contamination exists at the property or on any neighbouring land, or that the premises has been or is being put to any contaminative use, this might reduce the value now reported.

Details	
Topography	Generally, appears to be level and irregular in shape.
Drainage	Assumed available and connected.
Flooding	ValuStrat's verbal inquiries with local authorities were unable to confirm whether flooding is a point of concern at the subject property. For the purposes of this valuation, ValuStrat has assumed that the subject property is not flood liable. A formal written submission will be required for any further investigation which is outside of this report's scope of work.
Landslip	ValuStrat's' verbal inquiries with local authorities were unable to confirm whether land slip is a point of concern at the subject property. For the purposes of this valuation, ValuStrat has assumed that the subject property is not within a landslip designated area. A formal written submission will be required for any further investigation which is outside of this report's scope of work.

2.11.1 TOWN PLANNING

Neither from our knowledge nor as a result of our inspection are, we aware of any planning proposals which are likely to directly adversely affect this property.

In the absence of any information to the contrary, it is assumed that the existing use is lawful, has valid planning consent and the planning consent is not personal to the existing occupiers and there are no particular onerous or adverse conditions which would affect our valuation.

We are not aware of any potential development or change of use of the property or properties in the locality which would materially affect our valuation.

We are unaware of planning or other proposals in the area or other matters, which would be of detriment to the subject property, although NCB Capital's legal advisors should make the necessary searches and enquiries in this respect.

For the purpose of this valuation we have assumed that subject use of the property (mall and hotel) has all consents in place. Should this not be the case, we reserve the right to amend our valuation and report.

2.11.2 SERVICES

The properties referred to within this report are assumed to be connected to mains electricity, water, drainage, and other municipality services. Should this not be the case, we reserve the right to amend our valuation and report.

2.12 TENURE/TITLE

Unless otherwise stated we have assumed freehold title is free from encumbrances and that Solicitors' local searches and usual enquiries would not reveal the existence of statutory notices or other matters which would materially affect our valuation.

We are unaware of any rights of way, easements or restrictive covenants which affect the property; however, we would recommend that solicitors investigate both the titles in order to ensure everything is correct.

2.12.1 TITLE DEED SUMMARY

Mall and Hotel

Property Details	
Owner Name.	AlAhli REIT Fund (1).
Property Type	Al Andalus Mall & Staybridge Suites Hotel
Use	Commercial Use (mall & hotel)
Location	Al- Fay'ha District, Jeddah, KSA
GPS Co-ordinates	21°30'24.0"N 39°13'05.0"E
Land Area (sq. m)	159,133.96 sq. m
Interest	Freehold
Title Deed No.	320211029670
Title Deed Date	23/10/1440 Hijri

Vacant Land adjacent to Al Andalus Mall

Details	
Property Type	Vacant Land adjacent to Al Andalus Mall
Location	Al Fayha District, Jeddah
Location GPS Co-ordinates	21°30'17.81"N 39°13'13.28"E
Land Size	9,668.92 sq. m
Title Deed No.	393183000124
Title Deed Date	23/3/1442
Owner	Tamkeen Real Estate Fund Company

For ease of reference, we have attached a copy of the title deed at the appendices section.

All aspects of tenure/title should be checked by the client's legal representatives prior to any form of transaction and insofar as any assumption made within the body of this report to be incorrect then the matter should be referred back to the valuer to ensure the valuation is not adversely affected.

2.12.2 MALL TENANCY SCHEDULES & OCCUPATIONAL INTERESTS

We have been provided with tenancy schedule for the mall by the client (referred at appendices section within this report), indicating unit types, tenants, lease duration and annual rentals. We have not been provided with leases of the individual lease documentation in respect of the occupational interests within the subject mall. We have assumed that no onerous terms and conditions are contained within the contracts. Should any onerous terms exist, we reserve the right to amend our valuation and report. It is also advised that legal binding contracts, lease(s) or individual tenancy agreements are examined by interested purchasers/investors/parties to verify the covenants and terms.

We have assumed that all lessees are in a position to renew on their forthcoming renewals process considering the strong demand currently in the retail industry in KSA. For the purpose of this valuation, we have explicitly assumed that the tenancy schedule provided is accurate and actual. Should this not be the case, we reserve the right to amend our valuation and report.

2.12.3 MANAGEMENT AGREEMENT (MALL & HOTEL)

We understand that the subject property is managed by the client and professional management company appointed by the client too. We have made assumptions as to the costs and incorporated these into the total operational costs for the different elements, on the basis that any external investor would incur the same. We understand that all operational expenses are taken directly from income revenue of the mall.

The hotel was operated by Staybridge Suites under a 15-year management agreement. The management agreement dated 17th June 2013 is with Holiday Inns Middle East Limited as the (Operator) has been terminated. We have been made aware the hotel was temporarily occupied by the Ministry of Health for individuals returning to the Kingdom from abroad. We also understand the owners are in the process of appointing a new international operator. For the purpose of this valuation exercise, we assume a new operator will be secured successfully and operation will resume towards the end of 2020 with a view to achieving the same trading performance as per the luxury hotel benchmarks.

2.12.4 MALL OPERATIONAL MANAGEMENT & SERVICE CHARGE(S)

From our experience, a grade A mall of the nature of the subject mall should be managed on the basis of a base rent + service charge amount from each tenant. The service charge should be built into each tenancy (occupational lease).

Accordingly, the normal procedures are that the service charge proceeds are used to pay for the up-keep and maintain of malls. The service charge collectable is calculated as being a percentage of the base rent received from tenants. The assumption would be also for the management company to have a suitable sinking fund/depreciation allowance to take care of any future capital expenditure with regards to the refurbishment and maintenance of the existing buildings/structures.

In the case of Al Andalus Mall, we have been provided limited or no information and have assumed all is in order. Refer to the section 2.13.6 below the assumptions made reflecting operational costs and market benchmarks. Both the regular, preventative maintenance and planned (capital) works programme should be in place to preserve and maintain the high standards of condition and make-up of the mall for category grade A mall. At the time of inspection, the subject mall was in good condition with high standards in makeup and presentation of the mall; however, it is necessary to keep up its good condition and standards to maintain its value.

For the avoidance of doubt, these items should be ascertained by the client's legal representatives. ValuStrat draws your attention to any assumptions made within this report. We consider that the assumptions we have made accord with those that would be reasonable to expect a purchaser to make.

If any of the assumptions or facts provided by the client on which the valuation is based are subsequently found to be incorrect then the figures presented in this report may also need revision and should be referred back to the valuer. We have also assumed that a reasonably efficient operator / owner will run and manage, maintain and the like into perpetuity. Any interested party are advised to make their own independent enquires as to this element.

2.12.5 OPERATIONAL COST

We have been advised by the client the following actual cost total and breakdown for year-end 2020:

Operating Expenses FY-20	
Breakdown	Amount (SAR)
Water Service	108,000

A/C Maintenance	180,000
Elevator Maintenance	183,000
Door Maintenance	48,600
Safety Equipment O&M	48,000
Security Service	4,154,400
Cleaning Service	3,401,040
Stair Maintenance	13,000
Operating & Leasing	10,000,000
Pest Control & License	403,200
Insurance	600,000
Marketing	2,000,000
Repairs & Maintenance	1,080,000
Utilities	3,168,000
COVID-19 Expenses	250,000
Office Expenses	250,000
Total Operational Cost (SAR)	25,887,240

In our cash flow, we have used the above cost in the first year of our cash and thereafter have projected operational costs with a year-on-year increase of costs at 2%.

2.13 METHODOLOGY & APPROACH

2.13.1 AL ANDALUS MALL, JEDDAH

The subject properties fall into a broad category of investment property with the prime value determinant being the properties ability to generate rentals and rental growth through the ongoing letting and reasonable maintenance.

We have initially attempted to adopt the Comparative Method of Valuation to determine rentals. This method requires the collection of comparable market rents that have occurred within properties of a similar location, specification, configuration etc., in addition to anecdotal evidence collated from research. Upon analysis, and subsequent appropriate subjective adjustments if any, such evidence has then been applied to the subject premises to present our opinion of Market Rent. In the absence of suitable comparable evidence, our professional opinion of Market Rent has been interpreted and applied to the subject property. Thereafter, we have determined our opinion of Market Value of the subject property referred in this report, we have utilized the Investment Approach in specific, adopting a Discounted Cash Flow (DCF) technique.

The DCF approach involves the discounting of the net cash flow (future income receivable under lease agreements and forecast take-up of vacant units) on a yearly basis over, in this instance, an assumed 10-year cash flow horizon. This cash flow is discounted at an appropriate rate to reflect the associated risk premium, in order to determine a Net Present Value of the subject property at that particular Internal Rate of Return (IRR) and exit equivalent yield. The projected income stream reflects the anticipated rental growth inherent in a property investment based upon the physical, tenancy or market characteristics related to that property. In addition to projected operating costs and allowances, future capital expenditure can also be reflected in the cash flow. Cash inflows comprise income from the property adjusted to reflect actual and assumed lease conditions and rental growth, whilst cash outflows comprise operating costs adjusted to reflect anticipated inflation.

The rental income being capitalised and discounted in the cash flow refers to net rental income, that is, the income stream after deductions for the associated operating expenses of the property as provided by the Client. In the event of any vacant units, we have applied 1-2-month void period estimated as appropriate to secure potential occupiers before assuming units are leased on renewable 1-3-year lease contracts at our opinion of Market Rent. In order to accurately reflect the future occupancy within the mall, and therefore the future net income stream, we have made an allowance for permanent vacancy within the shopping mall, calculated at 2.5% of gross rental income, which will account for the loss of revenue due to void periods throughout the lifespan of the property. This is especially pertinent given the current economic climate and property market instability. The terminal value is determined by the capitalisation of the inputted net income in the year after the cash flow period. From that point forward, the cash flow associated with the investment is growth implicit, and as such, is subject to capitalisation at an equivalent yield. It should be noted that the equivalent yield adopted in this instance is a True Equivalent Yield (TEY), expressed in advance, in attempt to accurately reflect the frequency and timing of income receipts. The Terminal Yield applied to standard rentals is 8.5%.

The future values quoted for property, rents and costs are projections only formed on the basis of information currently available to us and are not representations of what the value of the property will be as at a future date.

2.13.2 MARKET RENTAL ANALYSIS

We have analysed the tenancy schedule and the market rents for the subject mall provided. Accordingly, we have benchmarked these against with market rentals achieved in other comparable retail malls / centres. Refer to the subject mall's tenancy schedule at the appendices section. Although the analysis of current passing rental shows a wide rental range; however, it appears the passing rents are generally in line with market conditions. Evidently, the hierarchy of comparable evidence suggests that the strongest regard should be given to transactions that have occurred integrally within the subject premises. Equally, we have independently researched into market rents of other similar grade A mall rent. We have analysed existing market commentaries and data in determining our experience with investors and developers of similar property/schemes and accordingly our opinion as to the applicable market rents. Information has also been sought from internal records and internal intelligence databases of credible due diligence over years of experience. As mentioned above, we have benchmarked with competing malls and provide concealed information due to the information being confidential. However, we have provided a range of values for each retail type as follows:

Retail Type	Average Range (SAR per sq. m)
Anchor & Stores	600 – 1,000
*Line Retail & sub-anchors	2,000 – 2,200
^Kiosks	80,000 – 175,000 (fixed price range)
ATM	72,000 – 150,000 (fixed price range)
F&B and Food Court	2,925 – 3,200
Entertainment	350 - 370

Source: Client & ValuStrat Research 2019-2020

2.13.3 MALL MARKET BENCHMARKS

We are aware super-regional and regional malls average rent range as follows:

Mall	Type	Occupancy (%)	Approx. GLA (sq. m)	Average Lease Rates per sq. m
Al Salaam Mall	Super-Regional Mall	93%	120,000	1,850 - 3,500
Star Avenue Mall	Regional Mall	85%	35,000	2,500 - 4,000
Mall of Arabia	Super-Regional Mall	96%	109,000	3,000 - 6,500
Red Sea Mall	Super-Regional Mall	93%	140,000	3,000 - 6,200
Aziz Mall	Regional Mall	95%	72,000	2,500 - 3,800

Also, we have analysed grade A malls, super and regional along iconic mall developments across the Kingdom showing respective market rates per GLA in relation to the subject mall referred in this report as follows:

Mall	GLA (sq. m)	Market Rate per GLA (sq. m)	Comments
Riyadh Gallery Mall	125,000	10,400	Grade A Mall – super regional mall
Hyatt Mall	90,000	13,889	Grade A Mall – super regional mall
Riyadh Park Mall	125,000	10,000	Grade A Mall – super regional mall
Al Rashid Mall Khobar	100,000	13,000	Grade A Mall – super regional mall
Mall of Arabia	109,000	16,514	Grade A Mall – super regional mall
Faisaliah Mall	35,000	20,000	Iconic mixed used development
Kingdom Mall	45,500	21,978	Iconic mixed used development
Al Salaam Mall	120,000	10,500	Grade A mall – super regional mall
Star Avenue Mall	35,000	17,000	Regional mall - small GLA
Red Sea Mall	140,000	11,000	Grade A super-regional mall
Aziz Mall	72,000	12,000	Regional mall

Subject Mall Market Rate Per GLA

Mall	GLA (sq. m)	Rate per GLA (sq. m)	Comments
Al Andalus Mall Jeddah	89,973	12,782	Grade A super-regional mall

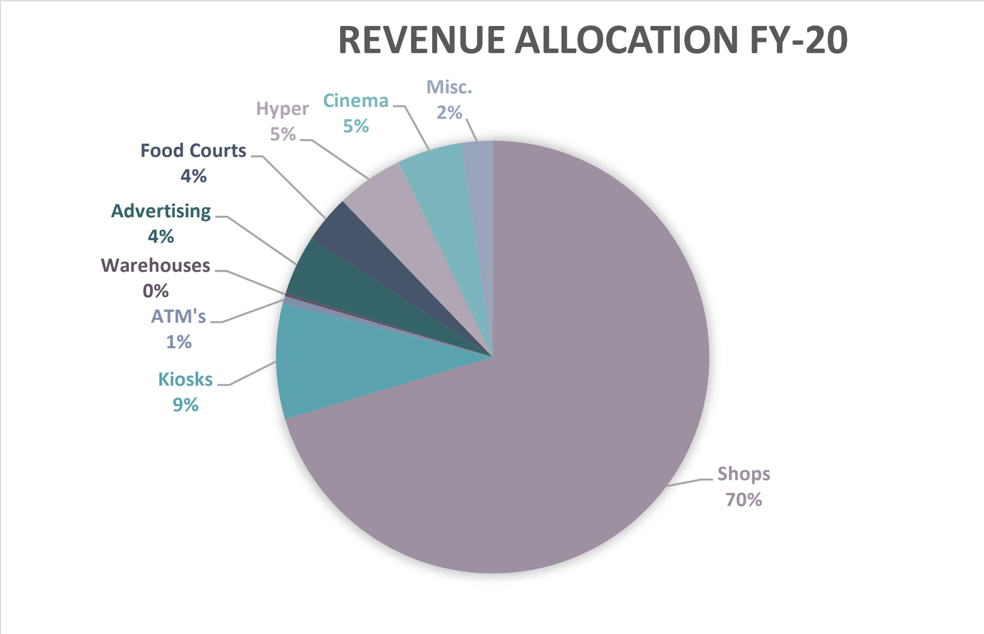
From the above it appears the average from the above 11 sample malls is 13,885 rate per GLA. On the otherhand we took the 8 sample malls ignoring, Faisaliah Mall, Kingdom Mall and Star Avenue Mall due the iconic status of both Faisaliah Complex and Kingdom Complex and Star Avenue mall consisting of a smaller GLA; hence the market average appears to be a rate of 12,940 rate per GLA. Accordingly, the subject mall equates to reasonable market rate per GLA at 12,782 rate per GLA.

2.13.4 TENANCY SCHEDULE COMMENTARY

We have referred to the tenancy schedule at the appendices section of this report as provided by the client. We have analysed the tenancy schedule and have assumed these to be the actual figures and are correct. Should this not be the case, we reserve the right to amend our valuation and report. The gross combined rental as at date of valuation is SAR 131,389,589 per annum reflecting the tenants' service charges but excluding operational expenses:

Al-Andalus Mall FY20		
Particulars	FY20 - 21	%
Shops	92,450,238	70%
Kiosks	11,331,632	9%
ATM's	736,000	1%
Warehouses	337,500	0%
Advertising	5,800,000	4%
Food Courts	4,729,283	4%
Hyper	6,618,736	5%
Cinema	6,332,700	5%
Misc.	3,053,500	2%
Total	131,389,589	100%

Source: Client 2020



We understand that the larger units or anchor/sub-anchors tenants are let at rents of approximately SAR 600 to SAR 1,000 per sq. m. The range of rent for the line shops is approximately SAR 2,000 to SAR 2,300 per sq. m. The smaller units and kiosks within the subject mall are let at higher rates per sq. m due to the quantum element in comparison to other retail units.

Also, there are miscellaneous units such, storerooms, advertising, media, and additional entertainment. We have assumed to be all correct and accurate.

In summary, we arrived at the market rental in line with the tenancy schedule as provided by the client, although we have not published it within this report due it consists of private and confidential details and data. Requests should be made to the Fund Manager for details. For the purpose of this report, we assume the details provided were correct and accurate. Should this not be the case, we reserve the right to amend our valuation and report.

With recent lettings in the subject mall and with the above locations which are situated within the Jeddah area enjoying significant footfall throughout the day which are comparative to Al Andalus Mall.

Again, we reiterate, we assumed that the subject mall is running efficiently and that there are no disputes between owners or occupiers and all rents in line with tenancy schedule provided by the client are being paid promptly and on time. We assume that the mall consists of good/best practice estate/property management. Should this not be the case, we reserve the right to amend our valuation and report.

We are of the opinion the average rents considered above and the passing rents at the subject mall is in line with market benchmarks, effectively making the subject mall rack rented demise in line with market conditions.

2.13.5 ASSUMPSTIONS & COMMENTARY

The shopping mall has been assessed as an investment property subject to the tenancy schedule provided by the client and any assumptions made by ValuStrat within market benchmarks. ValuStrat has made certain assumptions and adjustments based on their experience in valuing typical shopping malls in Jeddah and KSA taking cognisance of the surrounding developments within the property which will ultimately form part of. This was done in an attempt to forecast our interpretation of performance of the shopping mall over the 10-year explicit cash flow period.

In this instance, we have adopted the assumptions and facts:

2.13.6 OPERATING COSTS

In terms of the Operating Costs for Al Andalus Mall the below are actual costs as provided by the client. We have independently analysed the operational costs which appear to be reasonable totalling SAR 25,887,240 referred below:

Operating Expenses FY-20	
Breakdown	Amount (SAR)
Water Service	108,000
A/C Maintenance	180,000
Elevator Maintenance	183,000
Door Maintenance	48,600
Safety Equipment O&M	48,000
Security Service	4,154,400
Cleaning Service	3,401,040
Stair Maintenance	13,000
Operating & Leasing	10,000,000
Pest Control & License	403,200
Insurance	600,000
Marketing	2,000,000
Repairs & Maintenance	1,080,000
Utilities	3,168,000
COVID-19 Expenses	250,000
Office Expenses	250,000
Total Operational Cost (SAR)	25,887,240

The operational costs equate to approximately 20% of the passing rental which appear to be generally in line with market benchmarks.

The operational cost grows year on year in line with inflation 2.5%. This will exclude depreciation and contingency.

2.13.7 TYPICAL MARKET BENCHMARK EXPENSES

Grade	Minimum % of Total Revenue	Maximum % of Total Revenue
Primary Grade	18%	25%
Secondary Grade	10%	17%

Based on ValuStrat's research, operating expenses of the subject mall appeared to be within market benchmarks.

2.13.8 GROWTH RATE

We have adjusted the rate with no growth this year given market conditions and have applied an average growth rate of 2.5% per annum in 2021 and thereafter for the cash flow input in line with other tenancies with competing malls and the consumer retail index inflation growth in KSA.

Despite the current subdued market conditions, it appears the retail sector is considered to be attractive to investors in the current market conditions considering the retail sector is generally stable in KSA.

The historic strength of retail and significant growth in the past few years has meant fairly attractive yields and with the continuance of current stable retail demand but slower growth, it has meant in the short-term mild hardening of yields with a medium-term period of slightly softening of yields; hence providing a stable investor expectation.

Accordingly, in the foreseeable future the subject appears to provide a stable investment subject to ongoing maintenance, upkeep of the property and to provide yield stability with the real estate sector generally follows the fortunes of the greater economy.

2.13.9 DISCOUNT RATE, EXIT YIELD & VALUATION COMMENTARY

DISCOUNT RATE - Due to limited market transactions for large malls we have had to rely on the information available and make reasonable adjustments one would expect a purchaser to make.

Generally, the mall (retail) element is considered to be attractive to investors in the current market conditions considering the retail sector in KSA. The subject mall is a grade A mall with strong brand representation catering for a diverse range of consumers within the Jeddah area.

Theoretically the discount rate reflects the opportunity cost of capital. It reflects the return required to mitigate the risk associated with the particular investment type in question. To this we have to add elements of market risk and property specific risk. The market risk comes in the form of, *inter alia*, potential competition from existing and latent supply. Market risk will also reflect where we are in the property cycle. We are currently experiencing a depressed market situation due to wider economic uncertainty.

The property specific risk reflects the illiquidity of the market for large assets, the additional costs in maintaining and operating a centre, and the risk of damage to or loss of the centre.

For the purpose of our valuation calculations we have adopted a discount rate of 11%.

Exit Yield - The exit yield is a resultant extracted from transactional evidence in the market; however, due to anecdotal evidence and limited market activity we have had to rely on anticipated investor expectations from typical property investments.

These typically vary between 8% to 9%, depending on the quality, type of property and the location. Also, investors across the region are less indefinable and sensitive to real estate classification types and locations in general. The investor appetite for real estate is for long term cash flow, secured by strong covenant(s) and tenants.

Based on the above measures, we are of the opinion that a fair exit yield for the subject property is 8.5%.

2.13.10 VALUATION COMMENTARY

For the purpose of this valuation exercise, we have determined the tenancy schedule provided by the client as referred within this report at the appendices section. Accordingly, the combined passing rental as at the date of valuation is SAR 131,389,589 per annum reflecting the tenants' service charges but excluding operational expenses. We have assumed all tenancies will be renewed successfully in successive years.

All other assumptions refer above and have determined any tenancy agreements not all agreements were provided. It appears the contracted rents are broadly in line with the prevailing market conditions.

Both discount rate and exit yield in this case show a marginal difference between each other due to the low risk even in time of uncertainty in KSA. The subject mall dominates a strong status in Jeddah securing a high percentage of the market share due to its brand names in the mall and good tenant mix and within a densely populated area. We no doubt this status will continue and as well owners / management company will maintain the whole professional image of the mall.

Many International markets around the globe rely on good strong covenant strength which has a significant impact on value. The local market does not rely or analyse records to the same extent as per International practices on company financial records. The company structures in KSA are backed by Corporate / high net worth individuals who could be liable in the case of default.

Given the circumstances, we would anticipate that investors would accept the current covenant strength of the present tenants and reflect any level of risk into an appropriate bid.

The subject mall is considered to be attractive to investors in the current market conditions considering the retail sector is generally stable currently and historically shown in the past few years' quick growth.

Whilst in KSA currently market conditions showing uncertainties and limited/no growth and generally plummeting market conditions in other sectors. The subject mall is a premier grade A mall with apparently as relayed by the client that there is waiting list to occupy the retail pitches which may result in rental in growth; hence allowing for investors to bid more aggressively on the initial yield.

The historic strength of the mall and the current strong demand, we consider that investors would offer in the region of 7.5% to 8% net initial yield for the mall. From the analysis and market due diligence, it appears and is assumed that exit yields will be the same as the current initial yields.

We anticipate this is a reasonable assumption to adopt as the market is a normal state (depressed) and would be expected to be considerably stronger at the point of exit.

Moreover, transactions of large shopping malls rarely are exposed to the market and are usually determined via private treaty negotiations. Equally, we are aware of some smaller transactions of retail centres/malls but cannot disclose details due to privacy and confidentiality reasons. We understand a number of small retails centres/malls have achieved net initial yields between 7.5% to 8.5%.

Factors such as occupational demand, liquidity, lot size and covenant strength are important verdicts for potential investors who consider purchasing Al Andalus Mall. Investors are often attracted to retail due to the high yields offered. This is great for investors wanting an income-stream based investment over a long period. Global retail trends show investors in retail property accept the lowest yields.

The report is based upon the information provided by the client and we have assumed that the information with which we have been provided is substantially true, accurate and complete. We have not independently verified the accuracy of the information supplied to us, although we have analysed the locations, tenancy schedule and limited management data.

We have concluded that, within the limits of our investigations, the information proved by the client is within reasonable expectations of retail property at the subject property location referred within this report.

We have undertaken inspections of the subject property and location in connection with this valuation and we have had regard to the property, location, trading style, performance and the local demographic and competitive environment plus key performance indices compared with other mal in the area and region.

The subject mall referred within this report is subject to individual compliance requirements based on KSA regulations and we have assumed its compliance with current government legislation and all other local municipality registration requirements.

In reaching our opinion of the value, we have assumed that the subject property (both mall and hotel component) referred within this report will be professionally operated in perpetuity. In particular, we have assumed the owner will be able to professionally manage, repair and upgrade in heightened market competition.

We have also assumed that the trading position, financial and market conditions will not vary significantly in the immediate / foreseeable future. In the event of future change, in the trading potential or actual level of trade from that indicated, the values reported can vary.

2.13.11 INVESTMENT YIELD AND DISCOUNT RATE(S)

Despite the continuance of subdued conditions, the KSA real estate investment market remains resilient in times of global uncertainty, protectionism, technology innovation disruption and regional volatility.

The divergence between prime yields and secondary continues to widen, reflecting the fact that investors are willing to pay a premium for assets seen as lower risk, in core locations along with strong covenants/tenants/branding.

Whilst there remains a lack of transactional evidence in the KSA market and the lack of good quality income generating assets across the KSA market; however, strong investor appetite remains for 'Best in Class' / 'Institutional Asset Class – Grade A' / good quality property providing long term income.

The historic strength of asset classes and significant growth in the past few years has meant fairly attractive yields and with the continuance of current stable demand but slower growth.

Investors are also no less sensitive to asset classes i.e. office, retail, residential, industrial and the location of property providing investor expectations and stable long-term income for portfolios and funds.

The foreseeable future the subject property(s) referred in this report appear to provide stable investment subject to ongoing maintenance, upkeep of the property and provided that yield stability remains with the real estate sector generally following the fortunes of the greater economy and while the oil reserves are currently fairly strong, then the economy remains stable and backed-by strong fundamentals of the KSA market (i.e. young growing population) and also the economic transformation plan transforming the Kingdom towards a service economy post-oil era.

General consensus anticipates a strident improvement in the Saudi economy in the period ahead (vision 2030), supported by both the oil and non-oil sectors.

We can provide investment yield performance gauge in current market conditions as follows:

Transaction Type	Investment Yield (%)
Major Cities & Core Location(s)	7% - 8.5%
Best in Class / Institutional Asset Class – Grade A	7% - 8.5%
Good Quality Income Generating Asset	7% - 8.5%
Strong Covenants / Leases / Tenants / Strong Brands	7% - 8.5%
Secondary / Tertiary Location & Grade	9% - 10.5%

2.13.12 SUMMARY OF MARKET VALUE – AL ANDALUS MALL

The resultant value based upon the above variables/assumptions for the subject mall is as follows:

	Passing Rent (SAR) [per annum]	Net Income (first year)
Al Andalus Mall	131,389,589	*105,271,829

*Source: Client & ValuStrat 2020; *before discounting*

Valuation Input Summary	
Full Rental Income (SAR)	136,000,000 per annum
Annual Growth Rate	2.5% year on year growth rate.
Operational Cost	Approx. 20% (refer to actuals at section 2.13.5 above)
Occupancy	97% year 1 (refer to DCF projections at the appendices section)
Discount Rate	11%
Exit Yield	8.5%
Value [SAR] (Rounded)	1,149,000,000

2.13.13 RETAIL SUMMARY

Over the last decade, malls have heralded a retail revolution in the Kingdom of Saudi Arabia and the proof of the matter lies in the rate at which malls have been springing up. But the lack of true understanding of the mall typology and the resulting quality leave a lot to be desired.

This needs thorough understanding and the planning itself. Mall development comprise the process of conceptualizing, positioning, zoning and deciding the tenant mix, promotional activities and marketing of the mall as well as the facility and finance management.

All these put together ensure that the mall targets the right audience. We have also considered the general design and primarily, a mall can be divided various zones, the prominent one being shopping, entertainment, food court and the promotion areas.

It appears the design has been well thought through will minor revisions perhaps imminent as the construction go through to completion, although appear to be satisfactory with good entrance areas scattered around the complex, good circulation space, good retail areas, good parking and large entertainment areas. A well planned and successful mall will have the best food court tenant mix and again the subject appears to large food court with good seating.

The retail sector has been performing robustly in recent years, despite the considerable increase in available retail GLA. The volume of retail that remains under construction is much lower than that in the planning process.

Jeddah has been able to absorb high amounts of retail GLA historically in 2008-2012 when a number of large malls (Al Salaam Mall, Star Avenue Mall, Mall of Arabia, Red Sea Mall and Aziz Mall) were delivered with a combined approximate GLA of 454,600 sq. m.

This is driven by retail's stature as one of the few available recreational activities in Saudi Arabia, suggesting that the market may support a higher GLA per capita and higher average spend.

Clearly retail groups are rapidly investing and expanding in Saudi Arabia due to the country's size and recent boost in infrastructure. The decline in oil price has seen the government trying to attract foreign investment in other ways, creating many retail opportunities. The KSA has strong retailing groups such as Al Futtaim, Al Shaya, Al Hokair Group Entertainment who have a strong bargaining position and they hold onto strong branded-owners in KSA and in order for a mall to operate successfully, it is generally accepted that they must be located within good retailing areas/locations.

Many International markets around the globe rely on good strong covenant strength which has a significant impact on value. The local market does not rely or analyse records to the same extent as per International practices on company financial records.

The company structures in KSA are backed by Corporate / high net worth individuals who could be liable in the case of default. Given the circumstances, we would anticipate that investors would accept the current covenant strength of the present tenants and reflect any level of risk into an appropriate bid.

2.13.14 INVESTOR EXPECTATION

In distinction, Saudi Arabia has experienced strong performance in retailing over the past few years and is expected to be stable over the next few years too. The strong performance is due to a number of factors:

- The country benefits from a high degree of affluence and saw good economic performance, avoiding recession during the global economic downturn in 2009 and even due to the current oil price decline volatility, the retail performance is very strong.
- Retailing also benefited from the country's young population, with majority of indigenous Saudis being aged below 30-35 years old.
- Due to the conservative nature of Saudi society there are few entertainment options, with many consumers thus opting to socialise in shopping areas and regard shopping as a leisure pursuit.

A major factor driving growth for retailing was the strong development of shopping areas, with air-conditioned outlets housing a wide range of grocery and non-grocery items and offering comfortable shopping environments.

The strong expansion of modern retailing formats meant that hypermarkets, convenience stores and supermarkets continue to expand. In rural areas/open areas, there was a strong demand for chained forecourt retailers.

These channels offer air conditioning, parking and a wide range of products alongside frequent price promotions. There continues to be a marked shift from traditional to modern grocery retailing. Retailers will continue to focus on their market share and will be highly selective when opening new stores and it appears the successful developments will continue their lofty status and it may be fair to say there will continue to be a large gap between prime retail and secondary retail locations.

The retail sector in Saudi Arabia has experienced strong with sales and turnover risen as the range of product lines is increased and consumers benefit from modern shopping retail outlets. Accordingly, as mentioned earlier, the retail sector looks set to continue its strong performance subject to health crisis, although e-commerce is also expected to increase considerable due to new normal – post COVID-19.

It appears that there remains strong appetite for commercial retail property investment which provides a relatively secure, stable and good yielding asset for investors. In the current time, as we are aware the entertainment industry has been encouraged on a large scale by the government with permission to open cinemas. Most retailers are considering on expansion programmes for larger entertainment areas. Refer to the section 2.16 – General Market Snapshot.

Overall performance is expected to remain under pressure as competition in the Jeddah market increases over the next 12 to 24 months. On the other hand, we do expect good quality retail outlets to hold up rental performance given the better entertainment options retail outlets will provide to consumers.

In turn, vacancies may stabilize as landlords lease vacant space to cinema operators and other differentiating entertainment concepts, in order to maintain healthy occupancy levels particularly within the lesser-quality centres. This is will of course be dependent on how social distancing – new norm will pan out over the 6-12 months and its long-term effects on the economy.

2.13.15 AL ANDALUS MALL EXPANSION

The fund has purchased the land adjoining Al Anadalus mall with a view to expand the parking area to add 1,494 parking spaces. This will provide total parking spaces of 2,996 for the whole mall. Refer to shaded pink area of the subject land in the below illustration.

Accordingly, we have undertaken the comparative approach to valuation for the analysis of the land as follows:

Land Details (Adjacent to Al Andalus Mall)

Details	
Property Type	Vacant Land adjacent to Al Andalus Mall
Location	Al Fayha District, Jeddah
Location GPS Co-ordinates	21°30'17.81"N 39°13'13.28"E
Land Size	9,668.92 sq. m
Title Deed No.	393183000124
Title Deed Date	23/3/1442
Owner	Tamkeen Real Estate Fund Company

It appears from our research land prices with proximity of the land are being achieved in the range of SAR 4,700 per sq. to SAR to 4,900 per sq. m. We have adopted a reasonable price of SAR 4,800 per sq. m. We can accurately reflect the value of the land as follows:

Property Name	*Land Area (sq. m)*	*Value (SAR) [Rounded]*	*Rate per sq. m (SAR)*
Vacant Land adjacent to Al Andalus Mall	9,668.92	46,000,000	4,800

2.13.16 AL ANDALUS MALL HOTEL

The subject property (Hotel) is a property that is known / classified as a 'trade related property'. A 'trade related property' is defined as:

"Any type of real property designed for a specific type of business where the property value reflects the trading potential for that business" (RICS Red Book Edition 2014 – VPGA 4: Valuation of individual trade related properties).

The essential characteristic of such a type of property is that it has been designed or adapted for a specific use, and the resulting lack of flexibility usually means that the value of the property interest is intrinsically linked to the returns that an owner can generate from that use. The value therefore reflects the trading potential of the property, and in the market such properties are normally bought and sold on the basis of their trading potential.

Taking into consideration the above-mentioned nature and characteristics of the subject property, our opinion of the Market Value for the subject property has been arrived at by using the Income approach (or also known as the trade 'profits' method), which is a market-based valuation approach taking into account the expectations of market participants. The valuation and all key assumptions used in the valuation reflect market conditions as at the valuation date. This valuation approach is also the preferred method of valuation by which private and institutional investors are analysing trade related properties. In the use of the Income Valuation approach we have adopted a Discounted Cash Flow (DCF) method explained below.

In the valuation, we have also taken into consideration that this is an operating trade entity and our valuation takes into account the valuation principle of a reasonably efficient operator. Reasonably efficient operator is the market-based concept whereby a potential purchaser, and thus the valuer, estimates the maintainable level of trade and future profitability that can be achieved by a competent operator of the business conducted on the premises, acting in an efficient manner. The concept involves the trading potential rather than the actual level of trade under the existing ownership, so it excludes personal goodwill.

In forming our opinion of the maintainable level of trade and future profitability that can be achieved we have had regard and analysis of the previous past performance of the existing trade entity.

2.13.17 VALUATION ANALYSIS

As mentioned above, the hotel was operated by Staybridge Suites under a 15-year management agreement. The management agreement dated 17th June 2013 is made with Holiday Inns Middle East Limited as the (Operator) has been terminated.

We have been made aware the hotel was temporarily occupied by the Ministry of Health for individuals returning to the Kingdom from abroad. We also understand the owners are in the process of appointing a new international operator. For the purpose of this valuation exercise, we assume a new operator will be secured successfully and operation will resume towards the end of 2020 with a view to achieving the same trading performance as per hotel benchmarks.

We understand the hotel has a total 164 keys with details such as room type, and floor area shown below:

Room Configuration and breakdown		
Unit	Unit Quantity	Gross Internal Areas (GIA) sq. m
One Bedroom (type 1)	75	65-85
One Bedroom (type 2)	15	65-86
Two Bedroom (type 1)	15	110
Two Bedroom (type 2)	15	100
Studio (type 1)	14	55
Studio (type 2)	15	50
Studio (type 3)	15	60-69
Total Keys	164	

Source: Client 2020

2.13.18 MARKET BENCHMARKS

We have relied on historic performance and hotel benchmarks / competitive set of the hotel to provide a view on the trading performance and the potential outcome of the subject hotel and trading performance. The table below shows the competitive set for historically for the subject hotel, given that we have not been provided by the client a direct competitive set for the subject hotel.

Accordingly, we have used a best selection of competitive set and used STR data benchmark for upper scale hospitality property in Jeddah which are currently trading.

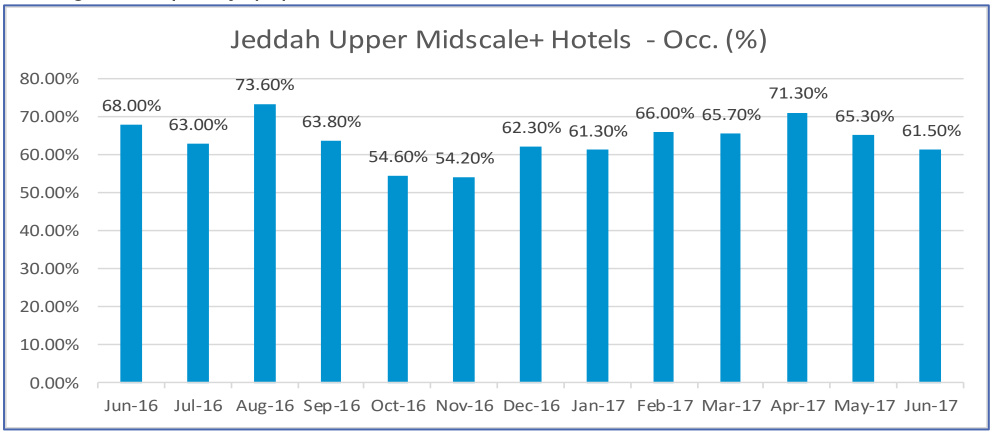
Hotel Name
Amjad Hotel Royal Suite Jeddah
Ascott Tahlia Jeddah
Citadines Al Salamah Jeddah
Radisson Blu Plaza Hotel Jeddah
Novotel Jeddah Tahlia Street

Likewise, the tables and graphs below show the ADR & Occupancy Rates of Upper Midscale + hotels in Jeddah extracted from STR Global research data June 2016-June 2017 along with immediate below the historic trend.

Year		2015	2016	2017
Occupancy	Average from Comp Set	73.00%	73.80%	65.70%
ADR (SAR)	Average from Comp Set	855.60	888.96	880.85
RevPAR (SAR)	Average from Comp Set	625.57	659.56	576.64

Jeddah Upper Scale STR Data	
Date	ADR
1/1/2017	794.37
2/1/2017	808.36
3/1/2017	749.97
4/1/2017	800.89
5/1/2017	928.46
6/1/2017	947.24
Average	838.22

Average Occupancy (%)



Source: STR Global

Further historic performance data can be provided as follows:

	July 2018 vs July 2017					
	Occ %		ADR		RevPAR	
	2018	2017	2018	2017	2018	2017
Jeddah Upper Upscale & Upscale+	75.8	68.0	979.24	907.46	742.53	616.92
	August 2018 vs August 2017					
Jeddah Upper Upscale & Upscale+	72.4	64.3	1,011.20	941.23	731.92	605.49
	September 2018 vs September 2017					
Jeddah Upper Upscale & Upscale+	66.1	67.9	909.62	950.25	601.30	645.09
	October 2018 vs October 2017					
Jeddah Upper Upscale & Upscale+	44.5	53.7	608.68	724.24	270.66	388.70
	November 2018 vs November 2017					
Jeddah Upper Upscale & Upscale+	46.0	49.5	606.43	636.10	279.16	314.70

It appears the average ADR from July 2018 to November 2018 is around SAR 823.03 per night.

2.13.19 ACTUAL CURRENT DATA AND PROFIT & LOSS FINANCIALS

We can provide STR average data for typical performance of hotels within the same category for the subject hotel (Jeddah Upper Upscale & Upscale plus).

	Current Performance					
	Occ %		ADR		RevPAR	
	2019	2018	2019	2018	2019	2018
July 2019 vs July 2018						
Jeddah Upper Upscale & Upscale+	74.9	72.0	798.77	947.61	598.61	682.63
August 2019 vs August 2018						
Jeddah Upper Upscale & Upscale+	66.9	69.2	858.42	969.34	573.97	670.91
September 2019 vs September 2018						
Jeddah Upper Upscale & Upscale+	67.1	60.7	790.96	863.70	530.82	524.04
October 2019 vs October 2018						
Jeddah Upper Upscale & Upscale+	52.1	43.4	594.23	599.47	309.58	260.40

It appeared the average ADR from July 2019 to October 2019 was around SAR 760.59 average per night for upper upscale and SAR 845.03 average per night for upscale plus.

Accordingly, the ADR for the subject hotel at SAR 615 average per night is reasonable and has adjusted further since our last exercise in December 2019. Due to all the reasons referred in this report over the health crisis and the current hotel closure.

We have also used the first half of the year to justify the first two months of operation including the occupation of the Ministry of Health to provide a considerably lower occupancy at 44%; hence the overall decline.

Equally, we have used historic performance as a guide to project forward hotel potential performance subject to securing an international operator later this year.

2.13.20 ASSUMPTIONS AND COMMENTARY

The hotel has been assessed as a "going concern" subject to the forecast and inputs provided by the client and any assumptions made by ValuStrat within market benchmarks.

ValuStrat has made certain assumptions and adjustments based on their experience in valuing typical hotel properties in the Jeddah, KSA taking cognizance of the surrounding developments within which the property will ultimately form part of. This was done in an attempt to forecast our interpretation of performance of the hotel over the 10-year explicit cash flow period.

For the purpose of this valuation we have included the retail (F&B) and the meeting rooms/function halls within the hotel component.

In this instance, we have adopted the following rates:

Components	*Comments*
Average Daily Rate	*SAR 615
Occupancy	*30% (yr.1), 55% (yr. 2), 60% (yr.3) to 65% stabilized in year 4.
Inflation	2%

**We have estimated hotel projections with an occupancy and average room rates of 30% and SAR 615 in the first year respectively and then year on year occupancy increases to 55% (yr.2), 60% (yr. 3) & 65% (stabilised in the 4th year) and an increased average room rate of SAR 630, SAR 645, and SAR 655 stabilised year 4.*

The hotel has been operating since May 2017, certain historic performance is available and also a number of competitive sets referred above provide guidance on the overall hospitality performance reflecting the competition in the market.

Presently through the COVID-19 health crisis, we understand the hotel was occupied by the Ministry of Health through the lockdown period holding up their guests / individuals returning from oversees for quarantine procedures.

We understand the Ministry of Health vacated on the 09th June 2020. It is also understood that matters have not resolved with owner and operator and termination of contract has been issued recently.

We understand the owners are currently in process of appointing an international operator and management expects a new operator before the H1 – 2021.

The owners expect better results and functioning of the hotel in 2021. Accordingly, we have reflected and adjusted the ADR and especially the suffering of occupancy reflecting the current circumstances and the subdued growth in the hospitality industry across Jeddah.

2.13.21 EXIT YIELD, DISCOUNT RATE AND COMMENTARY

Exit Yield	9%
Discount Rate	11.5%

Growth Rates

Given the current state of market conditions we applied an average growth rate of 2.5%.

Discount Rate and Exit Yield

Research conducted collated from developers and investors indicate that the discount rate is dependent on the scale of the development and the inherent risk associated.

This risk takes into account the extent of the proposed development, location, economic conditions and investor sentiment.

ValuStrat is of the opinion that as the development nears completion the inherent risk is reduced, and we have adopted 9% yield and the discount rate at 11.5%.

Supplementary Hotel Assumptions

We have assumed that the classification certificate for the operating hotel will be renewed successfully. Should this not be the case, we reserve the right to amend our valuation and report.

For the purpose of this valuation, we assume that the hotel has all necessary permission from the relevant planning and trading authorities in the Kingdom of Saudi Arabia.

The analysis of trading performance cash flow referred in our report is prepared on the basis of a fiscal year. Accordingly, year 1 of the cash flow starts from the date of valuation.

The valuation is based on the EBITDA of the serviced apartment, with an allowance for the fees included in the hotel management agreement.

The valuation assumes and reflects the furniture, fittings, equipment and operational supplies that are necessary for the hotel as a trading performance - going concern.

2.13.22 TRADING SUMMARY

We have projected the subject hotel's performance over the 10-year cash flow period.

Below is trading projections showing the 5-year period. Refer to the cash flow at the appendices section.

Hotel					
Trading Projections					
	1	**2**	**3**	**4**	**5**
Year	2020	2021	2022	2023	2024
		Projected	Projected	Projected	Projected
Rooms	164	164	164	164	164
Occupancy	30.0%	55.0%	60.0%	65.0%	65.0%
ADR	615.00	630.00	645.00	655.00	665.00
RevPAR	184.50	346.50	387.00	425.75	432.25
Total Revenue	6,642	25,450	28,600	31,463	31,944
Departmental Expenses	1,543	5,961	6,552	7,208	7,318
Departmental Profit	5,099	19,489	22,048	24,255	24,625
Undistributed Expenses	1,249	4,785	5,377	5,915	6,005
Gross Operating Profit	3,850	14,704	16,671	18,340	18,620
Management Fees	311	1,190	1,346	1,481	1,503
Fixed Charges	33	127	143	157	160
FF&E Reserve	266	1,018	1,144	1,259	1,278
EBITDA	3,240	12,368	14,038	15,444	15,679
Net Profit % (EBITDA of Total Revenue)	48.8%	48.6%	49.1%	49.1%	49.1%
Capital Expenditure					
Net Cashflow	3,240	12,368	14,038	15,444	15,679

The trading summary reflected for the subject is branded serviced apartments competing with a deluxe upscale market with a shortage of international branded competition in the market.

It appears since our last exercise in June 2020 there has been drop in revenues reflecting the decline in value. As mentioned above the occupancy is suffering heavily due to factors of COVID-19 health crisis and the travel ban KSA and globally.

Accordingly, we have made our professional judgement and opinion when providing the projections.

2.13.23 VALUATION SUMMARY – STAYBRIDE SUITES HOTEL

The resultant value based upon the above variables for the subject property is as follows:

Property Name	Room Count	Property Value (SAR) [Rounded]	Value per key (SAR)
Staybridge Suites Hotel, Jeddah	164	153,000,000	932,927

2.13.24 KSA HOSPITALITY PERFORMANCE

The hospitality industry across the globe and in Saudi Arabia was negatively impacted by the imposed travel restrictions over the COVID-19 health crisis. In the short-term, occupancy rates have fallen considerably. Locations like Jeddah are close to the holy cities with a reliance on high proportion of international visitors have been restricted, especially when the Hajj has been cancelled for 2020 and currently the holy cities remained on partial lockdowns with Makkah haram remained closed with Madinah haram currently facing a controlled opening with no international visitors.

The Kingdom of Saudi Arabia's borders currently remained closed with no international visitors affecting the whole business community as well as the umrah and hajj visitors for 2020. The second half of the year, there is potential for a rapid rebound as activity returns to normal levels. However, the COVID-19 health crisis is extraordinary times and there is a huge risk that the return to normalcy is protracted.

In the long term, the health crisis is unlikely to be a catalyst for significant structural change as the world and KSA get use to the new normal. Investment transactions are likely to be delayed but should come back relatively quickly.

As mentioned above the subject hotel has suffered from double fortitude from the owner and operators' differences leading to the termination of the hotel management agreement and as well as the COVID-19 lockdown period from March to June 2020. Again, as mentioned previously the owners are in the process of negotiating with potential international operators with a view to securing an operator before year-end 2020.

Accordingly, we have considered the historic performance of the subject hotel allowing for a strategic commercial decision on 2020 with an understanding the hotel's long-term performance should be in line with historic performance of 2017 and 2018.

The underlying position of the subject hotel historically has been good performance in 2017 and 2018. We have used this information to base our performance going forward should the owner's secure an international operator.

Historically, hotel occupancy rates were relatively stable at 59% in the YT November 2019. We have also attached the subject hotels P&L accounts above showing fairly good performance.

With the suspension of the Umrah season and uncertainty around the Hajj pilgrimage (which begins in late July), the performance of the tourism and hospitality market in 2020 is likely to remain sluggish, particularly in Jeddah, which is considered a transit city for pilgrimages to the Holy Cities. A strong pipeline of 2,000 keys is expected to enter the market in the next 12-18 months, with most of these projects at an advanced or finishing stage of construction, although delayed due to current health crisis lockdown. Planned openings include the new Jeddah Marriott in Al Bawadi, Adagio & Ibis Alesayi Plaza, Park Inn by Radisson Madinah Road, the House Hotel in Al Rawdah and Four Points by Sheraton in South Obhur, Jeddah.

The slow progression of construction work has also seen several delays into 2021 and beyond. Considering beyond the current crisis, further enhancements and project announcements along Jeddah's waterfront should help sustain demand for hotel rooms in Jeddah should the health crisis does not persist and current talks of a second wave of the health crisis.

2.13.25 OVERALL VALUATION SUMMARY

Property Name	*Exit Yield (%)*	*Discount Rate (%)*	*Value (SAR) [Rounded]*
Al Andalus Mall, Jeddah	8.5%	11%	1,149,000,000
Adjacent Land to Mall	-	-	46,000,000
Al Andalus Mall Hotel, Jeddah	9%	11.5%	153,000,000
Aggregate Value (SAR)			1,348,000,000

2.13.26 VALUATION COMMENTARY

1. In the short term it is difficult to assess the impact over the COVID-19 pandemic and the KSA lockdown should both the health crisis persist affecting the economy it is likely the market rates/prices will be affected later this year.

   The client is also recommended to consider the benefits in such a market, of having more frequent valuations to monitor the value of the subject property.

2. Whilst the KSA lockdown period has taken place due to the COVID-19 pandemic, many businesses were affected due to the closure; we assume all rentals, lease(s) and landlord & tenant information provided by the client is correct and accurate. Should this not be the case, we reserve the right to amend our valuation and report.

3. We have been made aware there is no rent arrears (debt) and all tenants are up to date with rental obligations. Should this not be the case, we reserve the right to amend our valuation and report.
4. Occupancy rates and rents at newly completed property or new acquisitions may fluctuate depending on a number of factors, including market and economic conditions resulting in the investment not being profitable.
5. KSA's oil production and business are a major contributor to Saudi income and strong economic conditions. Therefore, any major fluctuations in oil prices can have a similar effect on the local economy impacting commercial investments and the overall long-term development of the economy in volatile and uncertain times.
6. The growth of the economy is also subject to numerous other external factors, including continuing population growth, increased direct and foreign investment in the local economy and Government and private sector investment in infrastructure, all of which could have a significant impact on the economy and business profitability.
7. It should be noted that the valuation provided is of the property (excluding any element of value attributable to furnishings, removable fittings and sales incentives) as new. It is possible that the valuation figure may not be subsequently attainable on a resale as a' second-hand villa especially if comparable new property is on offer at the same time.
8. As regards property, which are retained, or to retain an ownership interest in, such competition may affect the ability to attract and retain tenants and reduce the rents impacting the property/investment.
9. Any retained or owned property will face competing property/development leading to high vacancy rates resulting in lower rental rates. It is imperative for leasing obligations to be preserved and to keep-up high standard of landlord & tenant (property management) relationship and so it will necessitate that the property be maintained to a good standard to maintain its value.
10. The subject portfolio referred in this report is considered as full figure(s) and may not be easily achievable in the event of an early re-sale in the short term due to volatile and uncertain times. Refer to our market conditions section below.
11. Property values are subject to fluctuation over time as market conditions may change.
12. We have assumed that the land is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings and good title can be shown. For the avoidance of doubt, these items should be ascertained by the client's legal representatives.

2.14 VALUATION

2.14.1 MARKET VALUE

ValuStrat is of the opinion that the Market Value of the freehold interest in the subject property (mall, hotel and land adjacent to Al Andalus mall) referred within this report, as of the date of valuation, based upon the assumptions expressed within this report, may be fairly stated as follows;

Market Value (rounded and subject to details in the full report):

Aggregate Value: SAR 1,348,000,000 (One Billion Three Hundred Forty-Eight Million Saudi Arabian Riyals.

2.15 PRINCIPAL GAINS AND RISK ASSESSMENT

The continued volatility in the Middle East and Global markets along with regional political qualms can affect land and property market(s) locally and nationally. Recent research coverage shows that slowdown in many sectors of the KSA real estate market is about to implode.

Despite the subdued conditions of the investment sector and the previous low levels of liquidity in the market, it appears transaction levels have improved marginally, although are well below previous levels in 2008-2012.

Equally, with all the steady but reduced development across all sectors of current and future supply results in uncertainty as to future pricing levels and market drivers.

Nevertheless, we expect to see occupiers, purchasers and investors review their positions as they attempt to assess where KSA is in the property rotation.

It is essential to draw attention to foreseen valuation uncertainties that could have a material effect on valuations, and further advises to indicate the cause of the uncertainty and the degree to which this is reflected in reported valuations. We have undertaken all reasonable efforts to understand the prevailing real estate market conditions and analysis. We bring to attention the following principal gains and risks:

- Away from the city centre and traffic congestion;
- Growing infrastructure in surrounding areas;
- Good visibility of the subject site provides good exposure for any potential development;
- The subject property’s surrounding infrastructure, and future plans will allow for easy connectivity with other parts of Jeddah city and upcoming surrounding areas.
- Continued investment in the economy by the government will help maintain growth and business;

- Perceptions of high security risks deter some investors and the possibility of change in governmental procedures causing an effect on investment value and general business activity;
- the current low liquidity levels in real estate markets combined with low levels of transparency and the consequent difficulty of verifying reported transactions;
- the evolving real estate laws, regulations and planning controls relating to property and property transactions;
- the volatility of real estate investment and development markets;
- the subject hotel is part of a new development which will take time to discover a stabilise point; however, an international brand will provide a good leverage with good synergy along with the connecting mall;
- Both the mall and the hotel contain different risk profiles whereby the mall has some long-term incomes with various short-term incomes. On the other hand, the hotel has no contracted income and so being subject to performance, although relying on an international brand and operator.
- the restricted investor mass together with the significant influence of state sponsored developers and operators, in relatively small markets;
- Threat of further KSA market decline and recession in 2020/21 and further threats of a second wave of the COVID-19 health crisis.
- The client is advised that whilst all reasonable measures have been taken to supply as accurate a valuation as possible as at the Valuation date, this figure should be considered in the context of the volatility of today's market place.

2.15.1 GENERAL SUPPLY AND DEMAND FACTORS

The increased supply across all sectors will always affect markets at a local level. Equally sectors such as retail malls and hotels show individual resilience due to type of business models in the sector class.

Also, on the other hand, the lack of good supply of good quality stock(s) is not available and buyers hold on to stock due to stable income generating property. Investors have also chosen to consider the Real Estate Investment Trust (REIT) route as a way to divest and obtain liquidity.

The subject property(s) referred in this report are part of a strong sector assets which currently secure long-term incomes based upon their age, type and locations.

In summary, the Al Ahli REIT assets hold a distinct market position with a moderate/high risk profile due to the current market circumstances. We appreciate general market risks; however, in this case (Al Ahli REIT), the risks are mitigated by good quality property providing long term income, although since our last exercise in December 2019, the subdued market conditions have continued. The performance for the retail has generally been good since our last exercise prior to the pandemic and we are hopeful should the pandemic not persist, then retail will remain stable in Jeddah but the hospitality sector has experienced a dip due to the lockdown affecting occupancy levels and therefore huge risk / loss remains in this sector.

Reference should be made to the advice throughout this reports on the COVID-19 health crisis and its affects should matters persist and therefore the hotel component should be monitored due to impact on the hospitality industry and the concerns surrounding the hotel currently not operating.

The client is also recommended to consider the benefits in such a market, of having more frequent valuations to monitor the value of the subject property.

2.16 PRINCIPAL GAINS AND RISKS (SWOT ANALYSIS)

Strengths	Weaknesses
• The subject property referred in this report are in a good location for their respective type and use; • Good infrastructure and amenities in surrounding areas; • Good visibility of the subject properties provides good exposure for any potential development; • The subject property referred with their surrounding infrastructure, and future plans will allow for easy connectivity with the rest of Jeddah City, Airport, North Jeddah (Obhur) and Train Railway Station;	• The private sector is dependent on expat labour, reflecting a shortage of marketable skills among nationals and a fairly high unemployment rate among locals; • Continued subdued market conditions and hardening of rental(s) and yields; • Future supply pipeline will heavily influence market share of sectors such as retail, and hotel sectors.
Opportunities	**Threats**
• The subject property referred in this report contains a strong tenant mix (mall) and strong management agreement for the hotel making them a strong 'institutional asset class'; • Due to the great number of upcoming developments in the area, the subject property location can be developed to benefit from an uplift and establishment in the market; • Continued investment in the economy by the government will help maintain growth and business;	• New supply and upcoming property can always be a threat; • Value added Tax (VAT) can impact tenant OPEX leading to rent being negotiation downwards; • Competition from under construction projects close-by in around the subject location(s) and adjacent districts; • Perceptions of high security risks deter some investors and the possibility of change in

- Planned extension to enhance the mall's entertainment facilities, cinema, etc.
- Lack of international hotel brands supply creating strong opportunity currently.

governmental procedures causing an effect on investment value and general business activity;

- Threat of further KSA market decline – recession and persisting further decline in COVID-19 health crisis in 2021.

2.17 GENERAL MARKET SNAPSHOT

2.17.1 MARKET ASSESSMENT, TIMES OF UNCERTAINTY (COVID-19 PANDEMIC) & VALUATION COMMENTARY OVERVIEW

At a time of unprecedented trial over the Coronavirus Covid-19 and the global spread of the virus, it has meant a significant impact on global financial markets as geographies experience continued spread and increase of pandemic cases. This has meant a global shutdown/lockdown of economies with most sectors affected.

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organization (WHO) as a "Global Pandemic" on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries across the globe. Market activity has impacted in many sectors.

Prior to the global rapid spread of the virus and the announcement by the KSA authorities of an initial indefinite lockdown, the KSA real estate market was in a healthy position with many analysts predicting a strong 2020 for real estate (vision 2020) with the positive activity and investment by the government unveiling a number of reforms, including recent facilitation of the tourism visa, where citizens of 49 countries are now able to apply e-visas and holders of Schengen, UK or US visas are eligible for visas on arrival.

Also the government has now allowed the full foreign ownership of retail and wholesale operations along with previously opening up of the Tadawul Stock Market to foreign investment supported by current energy reforms, cutting subsidies, creating jobs, privatising state-controlled assets and increasing private sector contribution to the country's economy, etc.

With all the opportunities throughout the Kingdom and the creation of the Giga projects, there was an ambitious resilience which was suddenly shutdown overnight due to the initial lockdown period. Presently the whole of the KSA is on a partial lockdown previously 24-hour lockdown given that Coronavirus cases have passed 132,000 (one hundred thirty-two thousand).

With all the current uncertainty, market stagnation and short-term challenges whereby force majeure (as a result of the pandemic's cause beyond anyone's reasonable control) has created inactivity in the real estate market with the market currently at a standstill.

As mentioned above the KSA market's ambitions and resilience, we understand investor sentiment remains strong as it was prior to the virus pandemic and the KSA was on an upward progression showing growth in the last quarter of 2019 after a period of subdued market conditions.

The current global crushing of liquidity in economies will have impact on markets and real estate market and this maybe the case with many economies across the globe; however, the KSA market has shown resilience in previous years through a period of downward trend (2016-18), a correction allowing for the market to bottom out with 2019 experiencing growth in the first quarter and subdued market conditions throughout 2019. The latter part of Q4 – 2019 saw positive growth with strong investor appetite, though the market lacking good quality stock. Now with the Saudi government confirming a stimulus package of SAR 120 billion, we understand the market will bounce back with investors underlying strong appetite. This will delay any evidence in the short term of declining prices and with the government stimulus will assist any short-term losses on transactions, private and public funds, although will need to be sustained in the short-term.

The KSA real estate sector generally follows the fortunes of the greater economy and while the oil reserves were left off prior to the pandemic fairly strong, although currently a price war between major producers is adding to a growing supply glut, though this will help KSA once markets start normalizing again. The KSA economy remains stable and backed-by strong fundamentals of the KSA market (i.e. young growing population) and also the economic transformation plan transforming the Kingdom towards a service economy post-oil era.

In short, the pandemic is expected to be a short term shock wave with an eventual surge of business activity leading to a rapid recovery either in the form of a "V-shape" or a more gradual recovery in the form of a "U-shape" bounce back. Accordingly, we expect the KSA market to surge in business once the lockdown is lifted allowing for markets to start flourishing towards long term sustainability in social trends and patterns along with socio-economic distancing in a growing cycle. On the other hand, should the global economic impact of the Coronavirus pandemic (COVID-19) outbreak depends on how long the virus lasts, how far it spreads and how much lock-down, public organizations quarantines disrupt the market.

Indeed, the current response to COVID-19 means that we are faced with unprecedented set of circumstances on which to base judgement(s). There is strong evidence that real estate markets spring back to strong activity and growth fairly quickly. Equally, the short-term generally speaking we do not expect the current real estate market to show very small adjustment in prices/rates if any due to non-activity or a market standstill especially prior market was on an upward trend. The KSA real estate market is a developing market with much invested by the government in infrastructure projects so we expect the government's latest stimulus to preserve liquidity and for demand to hold having limited / no bearing on prices / rates. However, should the pandemic persist throughout 2021, we do expect adjustments later on in 2021.

Our valuation(s) is / are therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case.

Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of the property referred in this report under frequent review.

2.17.2 MARKET CONDITIONS PRIOR TO THE PANDEMIC & THE KSA LOCKDOWN

The Kingdom of Saudi Arabia (KSA) - world's largest exporter of crude oil, embarked four years (2016) ago on an ambitious economic transformation plan, "Saudi Arabia Vision 2030". In a hope to reduce its reliance on revenue from hydrocarbons, given the plummeting oil price revenues from 2014. Through the current vision and in a post oil economy, KSA is adapting to times of both austerity measures and a grand ambitious strategy. With an overdue diversification plan Saudi Arabia's economic remodelling is about fiscal sustainability to become a non-dependent nation of oil. This is supported by current energy reforms, cutting subsidies, creating jobs, privatising state-controlled assets and increasing private sector contribution to the country's economy. Despite economic headwinds, across the region, KSA has shown resilience through a period of subdued real estate market activity. The real estate sector generally follows the fortunes of the greater economy and whilst Saudi Arabia is undergoing structural reforms politically, economically and socially will transform the Kingdom towards a service economy post-oil era. These changes along with significant amounts of investment - estimated to soon be over 1 trillion US dollars will create vast amounts of opportunities for the public and private sectors across all businesses segments.

The KSA economy in the first quarter of 2018 has relied on the current oil price rise to pull it out of recession; however, the previous 18-24 months, KSA faced a protracted spell of economic stress, much of which can be attributed to the falling oil prices coupled with regional political issues. Oil prices are starting to surge again around 80 dollars a barrel currently from under 30 dollars a barrel in early in 2016 which resulted in a crash in prices and the economy dipped into negative territory in 2017 for the first time since 2009, a year after the global financial crisis.

General consensus revealed a piercing improvement in the Saudi economy in the period 2021-2022, supported by both the oil and non-oil sector. So ultimately it appears the economy will still need to rely on oil revenues to bridge the gap in the short term with a budget deficit over the past 3 years and the Kingdom borrowing from domestic and international markets along with hiking fuel and energy prices to finance the shortfall. The economy slipped into recession in 2018 but returned to growth this year 2019, albeit at the fairly modest level of 1.7%, according to estimates from the International Monetary Fund (IMF). However, the return to growth is mainly due to a return to increase in oil prices again and output which, in turn, is enabling an increase in government spending.

Accordingly, in the short term needs to rely on the oil revenue and this reliance is being channelled into public spending. The non-oil economy is growing, but at a slow place. Analysts are forecasting non-oil GDP to grow by 1.4% this year, compared to 1% in 2017. Even here, the non-government sector is coping relatively poorly. Analysts are forecasting non-oil private sector growth of 1.1%, this year, up from 0.7% last year. The reforms that have been pushed through to date have led to important changes aiding the economy. The opening up of the entertainment industry will create jobs for young locals and women driving makes it easier for millions more people to enter the workforce. Reforms to the financial markets have led indexing firms to bring the Saudi Stock Market (Tadawul) into the mainstream of the emerging markets universe which now assists to draw in many billions of investment dollars. A due enactment of law will encourage public-private partnerships to herald more foreign investment.

The economic transformation that the KSA has embarked upon is complex and multidimensional and will certainly take time to turn around a non-oil serviced economy, although there have been recent positive signs, but it will remain in the short term with the support of oil revenues. On the other hand, the KSA was resilient in the previous recession in 2007/2008 on strong oil reserves and not only can the Saudi government be relied upon to step in to rescue troubled lenders, reliable institutions for procedural reasons but crucially, it can also afford to do so, although has suffered due to previous oil price declines and it has meant increased spending.

Vision 2030 to diversify the economy from reliance on oil, has only just commenced and with a young and increasingly well-educated population, together with its own sovereign wealth fund, the Kingdom has many favourable factors to become a leading service sector economy in the region. Reform efforts include a reduction of subsidies on fuel and electricity and the implementation of a 5 per cent VAT back on 1st January 2018 and now has been hiked up to 15% as of 1st July 2020 as a stimulus over pandemic health crisis.

The government is also striving to get women to play a greater role in the economy including allowing them to drive back in 2019. Wider reforms have been initiated by the government allowing for the entertainment industry to flourish with the opening of the first cinema in King Abdullah Financial District (KAFD) along with 4 VOX screens opening at Riyadh Park Mall.

The cinema entertainment is spurred on by Public Investment Fund (PIF) in collaboration with AMC Cinemas and led by the Development and Investment Entertainment Company (DIEC), a wholly owned subsidiary of PIF.

With an objective of 30 to 40 cinemas in approximately 15 cities in Saudi Arabia over the next five years, and 50 to 100 cinemas in about 25 Saudi cities by 2030.

As part of wider reforms to overhaul the economy and to allow for deep rooted diversification, the PIF have initiated plans to bolster the entertainment industry by forming ambitious plans such as the following:

Red Sea Tourism Project

To transform 50 islands consisting of 28,000 square kilometres along the Red Sea coastline into a global tourism destination. For ease of reference to illustration below showing the location in relation to the Kingdom of Saudi Arabia.

Al Faisaliyah Project

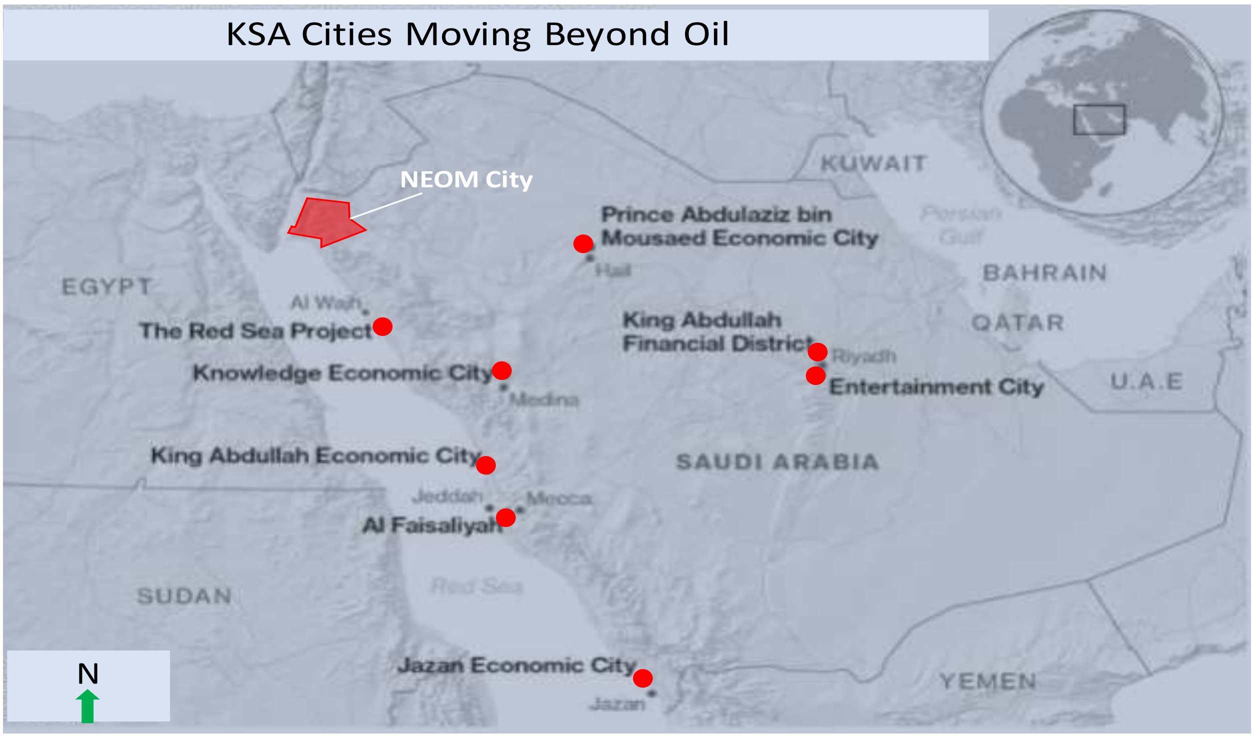
The project will consist of 2,450 square kilometres of residential units, entertainment facilities, an airport and a seaport. Refer to the below illustration for the location.

Qiddiya Entertainment City

Qiddiya Entertainment City will be a key project within the Kingdom's entertainment sector located 40 kilometres away from the center of Riyadh. Currently alleged for "The First Six Flags-branded theme park".

The 334 square kilometre entertainment city will include a Safari park too. The project will be mixed use facility with parks, adventure, sports, events and wild-life activities in addition to shopping malls, restaurants and hotels.

The project will also consist around 4,000 vacation houses to be built by 2025 and up to 11,000 units by 2030. Again, for ease of reference refer to the below illustration for the location.



Neom City

The NEOM city project will operate independently from the "existing governmental framework" backed by Saudi government along with local and international investors.

The project will be part of a 'new generation of cities' powered by clean energy. The ambitious plan includes a bridge spanning the Red Sea, connecting the proposed city to Egypt and stretch into Jordan too.

Economic Cities

The overall progress with the Economic Cities has been slow and projects on hold over the past 7-10 years, although KAFD has recently given the go ahead to complete by 2020. Within the Saudi Vision 2030 the governed referenced that they will work to "salvage" and "revamp".

Real Estate Growth

Overall ValuStrat research reveals that real estate sectors have continued to decline in both sales and rental values. We expect demand to remain stable due to fundamentals of a growing young population, reducing family size, increasing middle-class and a sizeable affluent population – all of which keeps the long-term growth potential intact.

Despite short term challenges, both investors and buyers remaining cautious, the Saudi economy has shown signs of ambition with the government unveiling a number of reforms, including full foreign ownership of retail and wholesale operations along with opening up of the Tadawul Stock Market to foreign investment as well as the reforms mentioned in the previous section referred above.

As mentioned earlier, KSA experienced positive growth by oil price rise in the first quarter of 2018; hence the main driver of the recovery remains oil. Over 2018 we envisage the Kingdom's consumer outlook to be more favourable in economic conditions.

Moreover, tax on development land implemented in 2017 has kept the construction sector afloat, encouraging real estate developers. Adapting to a new KSA economic reality has been inevitable, although the Kingdom's oil dynamics remain pivotal for future development within the KSA 2030 economic vision plan.

In latter part of 2017, the Public Investment Fund (PIF), Saudi Arabia's sovereign wealth fund set up a real estate refinancing company aimed at advancing home ownership in the Kingdom, which suffers from a shortage of affordable housing. This initiative will create stability and growth in the Kingdom's housing sector by injecting liquidity and capital into the market. Another plan to help kick start the real estate market by boosting the contribution of real estate finance to the non-oil GDP part.

The real estate sector has played an increasingly important role in the Saudi Arabian economy. Growing demand across all sectors combined with a generally limited supply has forced real estate prices to accelerate over the past (2008-2016). The close ties with the construction, financing institutions and many others have provided crucial resources that contributed to the development of the Saudi economy.

The real estate market performance in 2019 and the general trend in KSA for most sectors had remained subdued given lower activity levels and prices have been under pressure across most asset classes leading to a gradual softening of rental and sale prices quarter on quarter.

The real estate sector remains subdued and prices may have bottomed out across sectors and we expect in the medium to long term for the market to pick-up further growth given the reforms and transformation in KSA, although we expect the growth to be slow and steady subject to a stable political environment in KSA and across the region.

The outlook remains optimistic for the longer term due to the various KSA initiatives aimed at stimulating the real estate market whilst encouraging the private sector to play a key role in the transformation.

All in all, market volatility remains currently, and prices are likely to witness further deterioration in the short term. A watching brief should be kept on the economy, although we expect the economy to gather some pace later in 2021.

Property values are subject to fluctuation over time as market conditions may change. Valuation considered full figure and may not be easily achievable in the event of an early re-sale. It must be borne in mind that both rental and capital values can fall as well as rise.

2.18 VALUATION UNCERTAINTY

It should be noted. However, that if credit conditions substantially worsen or any other change were to occur to the investment market then the liquidity of the investment and the value, may change. We do not consider there to be a special prospective purchaser in the market for the subject property who would pay in excess of our opinion of Market Value.

It is essential to draw to foreseen valuation uncertainties that could have a material effect on valuations, and further advises to indicate the cause of the uncertainty and the degree to which this is reflected in reported valuations.

We are currently experiencing a very uncertain property market and due to the reduced level of transactions, there is an acute shortage of comparable evidence upon which to base valuations. Given the current uncertainties it may be necessary at times for a Valuer to draw upon evidence which is of a historical nature. The current shortage of transaction, combined with a rapidly changing market only serves to highlight the unpredictability of the current market, which is subject to change on a day by day basis.

It is essential to draw attention to foreseen valuation uncertainties that could have a material effect on valuations, and further advises to indicate the cause of the uncertainty and the degree to which this is reflected in reported valuations.

We further state that given the valuation uncertainty stated above our valuation represents our impartial calculated opinion / judgement of the properties, based on relevant market data and perceptions as at the date of valuation.

The client is advised that whilst all reasonable measures have been taken to supply as accurate a valuation as possible as at the Valuation date, this figure should be considered in the context of the volatility of today's market place

The client is also recommended to consider the benefits in such a market, of having more frequent valuations to monitor the value of the subject property.

2.19 DISCLAIMER

In undertaking and executing this assignment, an extreme care and precaution has been exercised. This report is based on information provided by the Client. Values will differ or vary periodically due to various unforeseen factors beyond our control such as supply and demand, inflation, local policies and tariffs, poor maintenance, variation in costs of various inputs, etc.

It is beyond the scope of our services to ensure the consistency in values due to changing scenarios.

2.20 CONCLUSION

This report is compiled based on the information received to the best of our belief, knowledge and understanding. The information revealed in this report is strictly confidential and issued for the consideration of the Client.

No part of this report may be reproduced either electronically or otherwise for further distribution without our prior and written consent. We trust that this report and valuation fulfils the requirement of your instruction.

This report is issued without any prejudice and personal liability.

For and on Behalf of, ***ValuStrat***

Ramez Al Medlaj (Taqeem Member No. 1210000320)
Senior Associate – Real Estate KSA

Yousuf Siddiki (Taqeem Member No. 1210001039)
Director - Real Estate, KSA

مكتب خبير التثمين العقاري
س.ت : ٤٠٣٠١٧٩٤٢٩

APPENDIX 1 - PHOTOGRAPHS OF THE PROPERTY

APPENDIX 2 - TITLE DEED

Mall & Hotel

بسم الله الرحمن الرحيم

المملكة العربية السعودية
وزارة العدل
[٢٧٧]
كتابة العدل الاولى بجدة

الرقم : ٣٢٠٢٦١١٠٢٦٦٧٠
التاريخ : ٢٣ / ١٠ / ١٤٤٠ هـ

صك

الحمد لله وحده والصلاة والسلام على من لا نبي بعده وبعد :
فإن مركز تجاري المقام على قطعة الارض رقم بدون / ب/ ٢ من المخطط رقم ٤٤٤ / ج/ س الواقع في حي القيحاء بمدينة جدة .
وحدودها وأطوالها كالتالي:
شمالا: الجزء رقم ب / ١ بطول: (٢٥٩,٩١) مئتين و تسعة و خمسون متر و واحد و تسعون سنتمتر
جنوبا: شرقا الجزء رقم ب/ ٣ وغربا الجزء رقم ب/ ٤ بطول: (٣٦٣,٤٣) ثلاثمائة و ثلاثة و ستون متر و ثلاثة و أربعون سنتمتر
شرقاً: شمالا دوار الملك عبدالعزيز وجنوبا طريق الامير ماجد متوسط عرض ٤٠م بطول: (٤٢٥,٨١) أربعمائة و خمسة و عشرون متر و واحد و ثمانون سنتمتر يبدا من الشمال للجنوب الشرقي على شكل منحنى ثم ينكسر بطول ٣١٠,٤١م
غرباً: شارع عرض ٣٥٠,٠٨م بطول: (٣٥٠,٠٨) ثلاثمائة و خمسون متر و ثمانية سنتمتر على شكل منحنى
ومساحتها : (١٥٩,١٣٣,٩٦) مائة و تسعة و خمسون ألفا و مائة و ثلاثة و ثلاثون متر مربعاً و ستة و تسعون سنتمتراً مربعاً فقط بناء على قرار اللجنة رقم ١٠٠٠ بتاريخ ١٣/ ١١/ ١٤٣٧ هـ المتضمن أن الصك موافق لمستنده والمستند في افراغها على الصك الصادر من هذه الإدارة برقم ٣٢٠٢١٣٠٠٠٧٨٠ في ١٧ / ١٠/ ١٤٤٠ هـ قد انتقلت ملكيتها لـ: الشركة العقارية المطورة للتمليك والادارة المحدودة بموجب سجل تجاري رقم ٤٠٣٠١٤٩٥٥٨ وينتهي في ٢١ / ١١/ ١٤٤٤ هـ . بثمن وقدره ٦٥٠٠٠٠٠٠٠ ستمائة و خمسون مليون ريال وعليه جرى التصديق تحريراً في ٢٣ / ١٠/ ١٤٤٠ هـ لاعتماده ، وصلى الله على نبينا محمد وآله وصحبه وسلم.

كاتب العدل
علي بن ضيف الله بن عاتق الزهراني

بسم الله الرحمن الرحيم

المملكة العربية السعودية
وزارة العدل
[٢٧٧]
كتابة العدل الأولى بجدة

الرقم : ٣٢٠٦١١٠٢٩٩٦٧٠
التاريخ : ٢٣ / ١٠ / ١٤٤٠ هـ

صك

كاتب العدل

علي بن ضيف الله بن عازب الزهراني

هذا المستند وحدة متكاملة ، وضياع أو تلف صفحة منه يؤدي إلى عدم صلاحية المستند

مطبعة مطابع الحكومة (هذا النموذج مخصص للاستخدام بالحاسب الآلي ويمنع تطبيقه) نموذج رقم

بسم الله الرحمن الرحيم

المملكة العربية السعودية
وزارة العدل
[٢٧٧]
كتابة العدل الأولى بجدة

الرقم : ٣٢٠٢١٣٠٠٠٧٨٠
التاريخ : ١٧ / ١٠ / ١٤٤٠ هـ

صك

وزارة العدل
كتابة العدل الأولى بمحافظة جدة

كاتب العدل

عبدالرحمن بن سعيد بن عبدالله القرني

(هذا النموذج مخصص للاستخدام بالحاسب الآلي ويمنع تطبيقه)

Vacant Land Adjacent to Al Andalus Mall – Title Deed

بسم الله الرحمن الرحيم

1 of 1

المملكة العربية السعودية
وزارة العدل
[٢٧٧]

تاريخ الصك: ٢٣/٣/١٤٤٢ هـ
رقم الصك: ٣٩٣١٨٣٠٠٠١٢٤

صك

الحمد لله وحده والصلاة والسلام على من لا نبي بعده، وبعد: فإن قطعة الارض رقم بدون / ب/ 3 من المخطط رقم 444 / ج/ س الواقع في حي الفيحاء بمدينة جدة . وحدودها وأطوالها : شمالا: جزء من الجزء رقم 2/ب بطول 171.95 مائة و واحد و سبعون متر و خمسة و تسعون سنتمتر جنوبا: شارع عرض 40م بطول 206.43 مئتين و ستة متر و ثلاثة و أربعون سنتمتر شرقا: شمالا دوار الملك عبدالعزيز وجنوبا طريق الامير ماجد عرض 140م بطول 54.59 أربعة و خمسون متر و تسعة و خمسون سنتمتر يبدا من الشمال للجنوب الشرقي على شكل منحنى ثم ينكسر بشطفه للجنوب بطول 7.07م غربا: الجزء رقم ب/ 4 بطول 50.94 خمسون متر و أربعة و تسعون سنتمتر ومساحتها 9668.92 تسعة الاف و ستمائة و ثمانية و ستون متر مربعاً و اثنين و تسعون سنتمتراً مربعاً بناء على محضر اللجنة الفنية رقم 3700027469 في 26 / 7/ 1437 هـ ومصدره أمانة محافظة جدة والمقيد في هذه الإدارة برقم 372815165 في 2 / 8/ 1437 هـ بموجب الصك الصادر من كتابة العدل الاولى بجدة برقم 320212012918 في 21 / 06 / 1438 قد أصبحت في ملك/ شركة صندوق تمكين العقارية بموجب سجل تجاري رقم 1010928890 وعليه جرى التصديق تحريراً في 1442 / 03 / 23 لاعتماده .وصلى الله على نبينا محمد وآله وصحبه وسلم

صدرت هذه الوثيقة من وزارة العدل ، ويجب التحقق من بياناتها وسريانها عبر الخدمات الإلكترونية لوزارة العدل

صفحة رقم 1 من 1

APPENDIX 3 – DISCOUNTED CASH FLOW (Al ANDALUS MALL, JEDDAH)

DISCOUNTED CASH FLOW (DCF) ANALYSIS												
Al Andalus Mall Jeddah						Valuation Date:	Thursday, December 31, 2020					
Tenure:	Freehold											
Growth Rate	2.5%											
Void Costs	5.0%											
Operational Cost	20%	Rent Passing										
Year		1	2	3	4	5	6	7	8	9	10	Exit Value
Gross Revenue (Rental)												
Ground Floor & Fist Floor		136,000,000	139,400,000	142,885,000	146,457,125	150,118,553	153,871,517	157,718,305	161,661,262	165,702,794	169,845,364	
Full Rental Value		136,000,000	139,400,000	142,885,000	146,457,125	150,118,553	153,871,517	157,718,305	161,661,262	165,702,794	169,845,364	
Occupancy		97%	95%	95%	95%	90%	90%	90%	90%	90%	90%	
Passing Rent		131,389,589	132,430,000	135,740,750	139,134,269	135,106,698	138,484,365	141,946,474	145,495,136	149,132,515	152,860,828	
Operational Costs		25,887,240	26,404,985	26,933,084	27,471,746	28,021,181	28,581,605	29,153,237	29,736,302	30,331,028	30,937,648	
Void Costs		230,521	348,500	357,213	366,143	750,593	769,358	788,592	808,306	828,514	849,227	
Net Current Rent		105,271,829	105,676,515	108,450,453	111,296,380	106,334,924	109,133,403	112,004,646	114,950,528	117,972,973	121,073,953	1,424,399,442
Present Value Formula		0.9009	0.8116	0.7312	0.6587	0.5935	0.5346	0.4817	0.4339	0.3909	0.3522	0.3522
Present Value of Net Rent		94,839,486	85,769,430	79,298,037	73,314,373	63,104,602	58,347,174	53,947,980	49,880,080	46,118,558	42,640,367	501,651,375
Exit Yield		8.50%										
Discount Rate		11.00%										
NPV (Gross value)	SAR	1,148,911,460										
Rounded Net Value	SAR	1,149,000,000										

APPENDIX 4 – DISCOUNTED CASH FLOW (AL ANDALUS HOTEL, JEDDAH)

Hotel	Final Valuation	Valuation Date: 31-Dec-20
Prince Majid Street		
Jeddah		

Freehold Valuation with Management Contract

Period	1	2	3	4	5	6	7	8	9	10	
Year Ending December	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	
Total Revenue	6,775	26,478	27,821	28,818	35,269	35,974	36,693	37,427	38,176	38,939	
Adjusted NOI	3,305	12,868	13,656	14,145	17,311	17,657	18,011	18,371	18,738	19,113	
Cashflow Post-Capex	3,305	12,868	13,656	14,145	17,311	17,657	18,011	18,371	18,738	19,113	212,367

Valuation		Analysis	
Exit Yield	9.00%	Net Value	153,000,000
Discount Rate	11.50%	Keys	164
		Net Value Per Key	932,927

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ValuStrat
Private & Confidential

Valuation Report

QBIC PLAZA, RIYADH, KSA

NCB CAPITAL

REPORT ISSUED 10 FEBRUARY 2021

ValuStrat Consulting	خبير التثمين العقاري	
703 Palace Towers	6th floor, South tower	111, Jameel square
Dubai Silicon Oasis	Al Faisaliah Complex	Tahlia Road
Dubai	Riyadh	Jeddah
United Arab Emirates	Saudi Arabia	Saudi Arabia
Tel.: +971 4 326 2233	Tel.: +966 11 2935127	Tel.: +966 12 2831455
Fax: +971 4 326 2223	Fax: +966 11 2933683	Fax: +966 12 2831530
www.valustrat.com		

TABLE OF CONTENTS

1 EXECUTIVE SUMMARY

THE EXECUTIVE SUMMARY AND VALUATION SHOULD NOT BE CONSIDERED OTHER THAN AS PART OF THE ENTIRE REPORT.

1.1 THE CLIENT

Danial Mahfooz, CFA
Vice President
NCB Capital, KSA

1.2 THE PURPOSE OF VALUATION

The valuation is for semi-annual purposes with submission to the Capital Market Authority (CMA).

1.3 INTEREST TO BE VALUED

The below-mentioned property is the scope of this valuation exercise.

Description	*Property Details*
Property Name	QBIC Plaza
Land Area (sq. m.)	17,444.21
Built-Up Area (sq. m.)	37,588.33
Gross Leasable Area (sq. m.)	21,253
Owner	Sandouq Tamkeen (the SPV of AlAhli REIT Fund)
Location	Al Ghadeir District, Riyadh, KSA
GPS Coordinates	24°46'18.66"N, 46°39'58.70"E
Interest Valued	Freehold

Source: Client 2020

1.4 VALUATION APPROACH

Discounted Cash Flow (DCF) approach to valuation.

1.5 DATE OF VALUATION

Unless stated to the contrary, our valuations have been assessed as at the date of our report based on our inspection of the subject property on 31 December 2020.

The valuation reflects our opinion of value as at this date. Property values are subject to fluctuation over time as market conditions may change.

1.6 OPINION OF VALUE

Property Name	Passing Income	Exit Yield	Discount Rate	Property Value [Rounded]
QBIC Plaza	21,613,000 p.a.	8.5%	11%	SAR 259,000,000

The executive summary and valuation should not be considered other than as part of the entire report. The client is advised that whilst all reasonable measures have been taken to supply an accurate valuation as possible as at the Valuation date, this figure should be considered in the context of the volatility of today's marketplace.

1.7 SALIENT POINTS (GENERAL COMMENTS)

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries across the globe.

Market activity is being impacted in many sectors. Despite short term challenges whereby force majeure (as a result of the pandemic cause beyond anyone's reasonable control) has created inactivity in the real estate market with the market currently at a standstill. Although we understand investor sentiment remains strong as it was prior to the virus pandemic and the KSA market was on an upward trajectory showing growth in the last quarter of 2019 after a period of subdued market conditions. With all the positive activity and investment by the government creating opportunities through projects across the Kingdom and through the creation of the Giga projects and now a stimulus package of SAR 120 billion, we understand the market will bounce back with investors and buyers having a strong appetite. We also understand the current uncertainty and market stagnation will not allow a fairly resilient market to stop where it left off prior to the pandemic. In short, we suspect the pandemic effect to be a short-term shock and expect a rapid recovery and a surge in business activity to bounce back allowing markets to start flourishing towards a growth cycle.

Our valuation(s) are therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of the property(s) under frequent review.

We are unaware of planning or other proposals in the area or other matters which would be of detriment to the subject property, although your legal representative should make their usual searches and enquiries in this respect.

We confirm that on-site measurement exercise was not conducted by ValuStrat International, and we have relied on the site areas provided by the Client. In the event that the areas of the property and site boundary prove erroneous, our opinion of Market Value may be materially affected, and we reserve the right to amend our valuation and report.

We have assumed that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings and good title can be shown. For the avoidance of doubt, these items should be ascertained by the client's legal representatives.

ValuStrat draws your attention to any assumptions made within this report. We consider that the assumptions we have made accord with those that would be reasonable to expect a purchaser to make.

We are unaware of any adverse conditions which may affect future marketability for the subject property.

It is assumed that the subject property is freehold and is not subject to any rights, obligations, restrictions and covenants.

This report should be read in conjunction with all the information set out in this report, we would point out that we have made various assumptions as to tenure, town planning and associated valuation opinions. If any of the assumptions on which the valuation is based is subsequently found to be incorrect, then the figures presented in this report may also need revision and should be referred back to the valuer.

Note that property values are subject to fluctuation over time as market conditions may change. The client is advised that whilst all reasonable measures have been taken to supply an accurate valuation as possible as at the Valuation date, this figure should be considered in the context of the volatility of today's marketplace. Valuation considered full figure and may not be achievable in the event of an early re-sale.

The valuation assumes that the freehold title should confirm arrangements for future management of the building and maintenance provisions are adequate, and no onerous obligations affecting the valuation. This should be confirmed by your legal advisers.

This executive summary and valuation should not be considered other than as part of the entire report.

2 VALUATION REPORT

2.1 INTRODUCTION

Thank you for the instruction regarding the subject valuation services.

We ('ValuStrat', which implies our relevant legal entities) would be pleased to undertake this assignment for NCB Capital ('the client') of providing valuation services for the property mentioned in this report subject to valuation assumptions, reporting conditions and restrictions as stated hereunder.

2.2 VALUATION INSTRUCTIONS / PROPERTY INTEREST TO BE VALUED

Description	*Property Details*
Property Name	QBIC Plaza
Land Area (sq. m.)	17,444.21
Built-Up Area (sq. m.)	37,588.33
Gross Leasable Area (sq. m.)	21,253
Owners	Sandouq Tamkeen (the SPV of AlAhli REIT Fund)
Location	Al Ghadeir District, Riyadh, KSA
GPS Coordinates	24°46'18.66"N, 46°39'58.70"E
Interest Valued	Freehold

Source: Client 2020

2.3 PURPOSE OF VALUATION

The valuation is for semi-annual purposes with submission to the Capital Market Authority (CMA).

2.4 VALUATION REPORTING COMPLIANCE

The valuation has been conducted in accordance with Taqeem Regulations (Saudi Authority for Accredited Valuers) and the International Valuation Standards Council (IVSCs') incorporating International Valuations Standards (IVS).

It should be further noted that this valuation is undertaken in compliance with generally accepted valuation concepts, principles and definitions as promulgated in the IVSCs International Valuation Standards (IVS) as set out in the IVS General Standards, IVS Asset Standards, and IVS Valuation Applications.

2.5 BASIS OF VALUATION

2.5.1 MARKET VALUE

The valuation of the subject property, and for the above stated purpose, has been undertaken on the ***Market Value*** basis of valuation in compliance with the above-mentioned *Valuation Standards* as promulgated by the IVSC and adopted by the RICS. ***Market Value*** is defined as: -

The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties have each acted knowledgeably, prudently and without compulsion.

The definition of ***Market Value*** is applied in accordance with the following conceptual framework:

"***The estimated amount***" refers to a price expressed in terms of money payable for the asset in an arm's length market transaction. *Market value* is the most probable price reasonably obtainable in the market on the *valuation date* in keeping with the *market value* definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of *special value*;

"***an asset should exchange***" refers to the fact that the value of an asset is an estimated amount rather than a predetermined amount or actual sale price. It is the price in a transaction that meets all the elements of the market value definition at the *valuation date*;

"***on the valuation date***" requires that the value is time-specific as of a given date. Because markets and market conditions may change, the estimated value may be incorrect or inappropriate at another time. The valuation amount will reflect the market state and circumstances as at the *valuation date*, not those at any other date;

"***between a willing buyer***" refers to one who is motivated, but not compelled to buy. This buyer is neither over eager nor determined to buy at any price. This buyer is also one who purchases in accordance with the realities of the current market and with current market expectations, rather than in relation to an imaginary or hypothetical market that cannot be demonstrated or anticipated to exist. The assumed buyer would not pay a higher price than the market requires. The present owner is included among those who constitute "the market";

"***and a willing seller***" is neither an over eager nor a forced seller prepared to sell at any price, nor one prepared to hold out for a price not considered reasonable in the current market. The willing seller is motivated to sell the asset at market terms for

the best price attainable in the open market after proper marketing, whatever that price may be. The factual circumstances of the actual owner are not a part of this consideration because the willing seller is a hypothetical owner;

"***in an arm's-length transaction***" is one between parties who do not have a particular or special relationship, e.g. parent and subsidiary companies or landlord and tenant, that may make the price level uncharacteristic of the market or inflated because of an element of *special value*. The *market value* transaction is presumed to be between unrelated parties, each acting independently;

"***after proper marketing***" means that the asset would be exposed to the market in the most appropriate manner to effect its disposal at the best price reasonably obtainable in accordance with the *market value* definition. The method of sale is deemed to be that most appropriate to obtain the best price in the market to which the seller has access. The length of exposure time is not a fixed period but will vary according to the type of asset and market conditions. The only criterion is that there must have been sufficient time to allow the asset to be brought to the attention of an adequate number of market participants. The exposure period occurs prior to the *valuation date*;

'***where the parties had each acted knowledgeably, prudently***' presumes that both the willing buyer and the willing seller are reasonably informed about the nature and characteristics of the asset, its actual and potential uses and the state of the market as of the *valuation date*. Each is further presumed to use that knowledge prudently to seek the price that is most favorable for their respective positions in the transaction. Prudence is assessed by referring to the state of the market at the *valuation date*, not with benefit of hindsight at some later date. For example, it is not necessarily imprudent for a seller to sell assets in a market with falling prices at a price that is lower than previous market levels. In such cases, as is true for other exchanges in markets with changing prices, the prudent buyer or seller will act in accordance with the best market information available at the time;

'***and without compulsion***' establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it.

Market value is the basis of value that is most commonly required, being an internationally recognized definition. It describes an exchange between parties that are unconnected (acting at arm's length) and are operating freely in the marketplace and represents the figure that would appear in a hypothetical contract of sale, or equivalent legal document, on the valuation date, reflecting all those factors that would be taken into account in framing their bids by market participants at large and reflecting the highest and best use of the asset. The highest and best use of an asset is the use of an asset that maximizes its productivity and that is possible, legally permissible and financially feasible.

Market value is the estimated exchange price of an asset without regard to the seller's costs of sale or the buyer's costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction.

2.5.2 VALUER(S)

The Valuer on behalf of ValuStrat, with responsibility of this report is Mr. Ramez Al Medlaj (Taqeem Member) who has sufficient and current knowledge of the Saudi market and the skills and understanding to undertake the valuation competently.

We further confirm that either the Valuer or ValuStrat have no previous material connection or involvement with the subject of the valuation assignment apart from this same assignment undertaken.

2.5.3 STATUS OF VALUER

Status of Valuer	*Survey Date*	*Valuation Date*
External Valuer	29 December 2020	31 December 2020

2.6 EXTENT OF INVESTIGATION

In accordance with instructions received we have carried out an external and internal inspection of the property. The subject of this valuation assignment is to produce a valuation report and not a structural / building or building services survey, and hence structural survey and detailed investigation of the services are outside the scope of this assignment. We have not carried out any structural survey, nor tested any services, checked fittings of any parts of the property.

Our inspection was limited to the external visual assessment of the subject property including its basement parking, ground floor retail/showrooms and upper floor offices. For the purpose of our report, we have expressly assumed that the condition of any un-seen areas is commensurate with those which were seen. We reserve the right to amend our report should this prove not to be the case.

2.7 SOURCES OF INFORMATION

For the purpose of this report, it is assumed that written information provided to us by the Client is up to date, complete and correct in relation to title, planning consent and other relevant matters as set out in the report. Should this not be the case, we reserve the right to amend our valuation and report.

2.7.1 VALUATION ASSUMPTIONS / SPECIAL ASSUMPTIONS

This valuation assignment is undertaken on the following assumptions:

The subject property is valued under the assumption of property held on a *Private interest* with the benefit of trading potential of existing operational entity in possession;

Written information provided to us by the Client is up to date, complete and correct in relation to issues such as title, tenure, details of the operating entity, and other relevant matters that are set out in the report;

That no contaminative or potentially contaminative use has ever been carried out on the site;

We assume no responsibility for matters legal in character, nor do we render any opinion as to the title of the property, which we assume to be good and free of any undisclosed onerous burdens, outgoings, restrictions or other encumbrances. Information regarding tenure and tenancy must be checked by your legal advisors;

This subject is a valuation report and not a structural/building survey, and hence a building and structural survey is outside the scope of the subject assignment. We have not carried out any structural survey, nor have we tested any services, checked fittings or any parts of the structures which are covered, exposed or inaccessible, and, therefore, such parts are assumed to be in good repair and condition and the services are assumed to be in full working order;

We have not arranged for any investigation to be carried out to determine whether or not any deleterious or hazardous material have been used in the construction of the property, or have since been incorporated, and we are therefore unable to report that the property is free from risk in this respect. For the purpose of this valuation, we have assumed that such investigations would not disclose the presence of any such material to any significant extent;

That, unless we have been informed otherwise, the property complies with all relevant statutory requirements (including, but not limited to, those of Fire Regulations, By-Laws, Health and Safety at work);

We have made no investigation, and are unable to give any assurances, on the combustibility risk of any cladding material that may have been used in construction of the subject building. We would recommend that the client makes their own enquiries in this regard; and,

The market value conclusion arrived at for the property reflect the full contract value and no account is taken of any liability to taxation on sale or of the costs involved in effecting the sale.

2.8 PRIVACY/LIMITATION ON DISCLOSURE OF VALUATION

This valuation is for the sole use of the named Client. This report is confidential to the Client, and that of their advisors, and we accept no responsibility whatsoever to any third party.

No responsibility is accepted to any third party who may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to the Client to whom it is authorised.

2.9 DETAILS AND GENERAL DESCRIPTION

2.9.1 LOCATION AND DESCRIPTION OF THE PROPERTY

The subject property, identified as QBIC Plaza, is located along the southwest side of King Abdul Aziz Road, within Al Ghadeir District, Riyadh, Kingdom of Saudi Arabia.

It is situated about 200 meters & 250 meters northwest of Tala Mall & Northern Ring Road, respectively; and approximately 350 meters & 650 meters northeast of SACO World & Abyat, respectively.

Additionally, King Abdullah Financial District, the soon to be new central business district of Riyadh, is located about 2.5 kilometers southwest of the aforesaid property.

QBIC Plaza's immediate neighborhood is mainly for commercial use. Some of the notable commercial establishments in the vicinity includes the Tala Mall, SACO World, Jarir Bookstore, Abyat, Veranda F&B, etc.

It is easily accessible thru the fronting King Abdul Aziz Road which directly links to the nearby Northern Ring Road, a major thoroughfare connecting to important destinations in the city.

For ease of reference, refer to the illustration below.

Source: Google Extract 2020 - For Illustrative Purposes Only

The illustration below further shows the exact location of the subject property and the characteristics of its immediate neighbourhood and environs.

Source: Google Extract 2020 - For Illustrative Purposes Only

As mentioned above, the subject property is a commercial development known as QBIC Plaza. The land is rectangular in shape and on level terrain. It is bounded by four streets namely – King Abdulaziz Road on the northeast, Tanduf Street on the southeast, Wadi Rikham on the southwest and Tanmar Street on the northwest.

QBIC Plaza is an under-construction, grade-A strip mall built mainly of reinforced concrete structures. It consists of a 2-level basement parking, three floors for retail, F&B and office units with modern open terrace design.

As per building permit provided to us (refer to copy in the appendices section), it has a total built-up area of 37,588.33 square meters as detailed below.

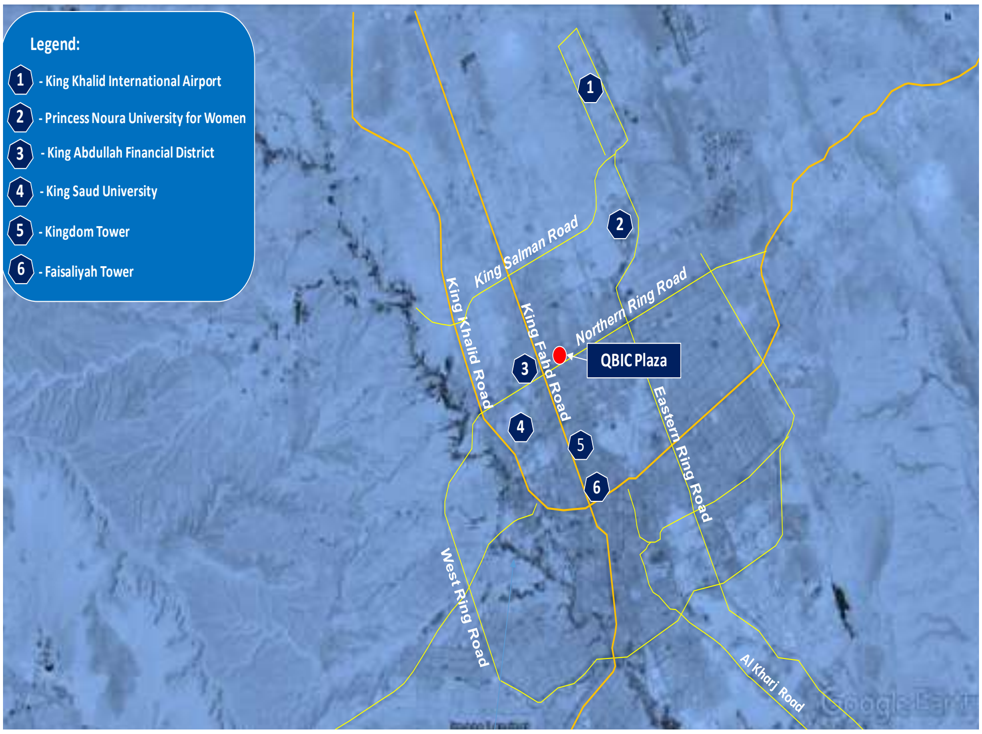
Floor level	BUA (sq. m.)	Use
1st Basement	5,167.79	Parking
2nd Basement	14,492.98	Parking
Ground Floor	7,832.22	Retail Showroom
Mezzanine	1,553.37	Retail/Showroom
First Floor	2,651.40	F&B
First Floor	3,050.00	Office
Annex Floor	1,609.00	Office
Annex Floor	1,231.57	F&B
Total BUA (sq. m.)	37,588.33	

Source: Client 2020

2.9.1.1 PROXIMITY TO MAJOR DEVELOPMENTS

As mentioned above, the subject property known as QBIC Plaza is a grade-A commercial development situated in a prominent commercial district. It is close to the King Abdullah Financial District, an important development in the city which will be considered the new business center of Riyadh. It is well accessible thru the fronting King Abdul Aziz Road which directly connects to the Northern Ring Road, a major thoroughfare leading to important landmarks and common destinations in the City. The Kingdom Hospital, Kingdom School, Kingdom City, Tala Mall are other known establishment nearby the subject property. The table and illustration below provide an approximate distance of the subject property relative to major landmarks & developments in the city.

Landmarks	*Distance from subject property (km.)*
King Abdullah Financial District	2.5
King Saud University	6.5
Kingdom Tower	6.7
Faisaliyah Tower	9.2
Princess Noura University	9.8
King Khalid International Airport	21



Source: Google Extract 2020 - For Illustrative Purposes Only.

Moreover, one of the on-going important developments in the city is the Riyadh Metro System which consist of 6 interconnected routes plying across the city's most common destinations. With the expected completion of this major infrastructure, mobility within the city will be greatly enhanced.

2.9.2.1 THE RIYADH METRO SYSTEM

The new City Metro of Riyadh is a rapid transit system under construction to be completed circa. 2021/22, which will be of benefit to Riyadh's population, business and future growth of Riyadh, etc. The Metro will help in many ways for the day to day life activities of the people such as traffic control, school journeys, shopping journey and business commuting, etc. The city metro project is one of the world's largest infrastructure projects currently under-construction. It consists of trains and buses, which includes 6 railway lines stretching 176 kilometers with 85 stations, penetrating the capital of Saudi Arabia, Riyadh, from all directions. It is expected that the capacity of the project is estimated at 1.16 million passengers daily in the beginning of the operation and will reach to as high as 3.6 million passengers after a decade. Other expected benefits from the project includes the reduction of the number of car trips by nearly 250 thousand trips a day and to provide the equivalent of 400 thousand liters of fuel per day and thus reduce air pollutant emissions. Three leading consortia, including the US Construction company Bechtel Group Inc., Spain's FCC and Italy's Ansaldo STS have been awarded contracts to build the project. The Metro Project comprises of the following six lines.

- **Line 1** (Blue Line) runs in the north-south direction along Olaya and Batha streets, starting from slightly north of King Salman Bin Abdul Aziz Street and ending at in the south. The Metro will be mostly underground in a tunnel along Olaya and King Faisal Streets, and elevated on a viaduct along Batha Street and at the northern and southern ends. Line 1 extends over a length of approximately 38 km (24 mi) and features 22 stations, in addition to 4 transfer stations with Lines 2, 3, 5, and 4&6.
- **Line 2** (Red Line) runs in the east-west direction along King Abdullah Road, between King Saud University and the eastern sub-center, mostly on a raised strip in the median of a planned freeway. This Line extends over a length of about 25.3 km (15.7 mi) and features 13 stations, in addition to 3 transfer stations with Lines 1, 5 and 6.
- **Line 3** (Orange Line) runs in the east-west direction along Al–Madinah Al Munawwarah and Prince Saad Bin Abdulrahman Al Awal Roads, starting at the west near Jeddah Expressway and ending at the east near the National Guard camp of Khashm El Aan. The metro will be mostly elevated along the western part of Al–Madinah Al Munawwarah Road, then underground in tunnels in the central section of the line, and generally at grade along Prince Saad Ibn Abdulrahman Road. The length of the line is approximately 40.7 km (25.3 mi) and it features 20 stations, in addition to 2 transfer stations with Lines 1 and 6.
- **Line 4** (Yellow Line) reaches to King Khalid International Airport from King Abdullah Financial District, mainly on a mix of elevated and at-grade alignment. The length of the line is around 29.6 km (18.4 mi) and it features 8 stations (3 common with Line 6), in addition to 1 transfer station with Lines 1 and 6.

- **Line 5** (Green Line) runs underground in a tunnel along King Abdulaziz Street, between King Abdul Aziz Historical Centre and the Riyadh Airbase, before connecting with King Abdullah Road. The length of the line is about 12.9 km (8.0 mi) and it features 10 stations, in addition to 2 transfer stations with Lines 1 and 2.
- **Line 6** (Purple Line) follows a half-ring starting at King Abdullah Financial District, passing by Imam Mohamed Bin Saud University and ending at Prince Saad Ibn Abdulrahman Al Awal Road. It runs mostly elevated except along Sheikh Hasan Bin Husein Bin Ali Street. The length of the line is approximately 29.9 km (18.6 mi) and it features 8 stations (3 common with Line 4), in addition to 3 transfer stations with Lines 1, 2 and 3.

The commencement date for the project was in early 2014, with projected completion date circa. 2021/22. The illustration below illustrates the six interconnected Riyadh Metro routes.

Source: ValuStrat Research.

2.10 ENVIRONMENT MATTERS

We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination. In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative use has ever been carried out on the property. We have not carried out any investigation into past or present use, either of the property or of any neighbouring land, to establish whether there is any contamination or potential for contamination to the subject property from the use or site and have therefore assumed that none exists. However, should it be established subsequently that contamination exists at the property or on any neighbouring land, or that the premises has been or is being put to any contaminative use, this might reduce the value now reported.

Details	
Area	Based on the document supplied by the client, the total land area of the property is 17,444.21 sq. m. and the building's total built-up area (BUA) is 37,588.33 sq. m.
Topography	Generally, the property is rectangular in shape and on level terrain
Drainage	Assumed available and connected.
Flooding	ValuStrat's verbal inquiries with local authorities were unable to confirm whether flooding is a point of concern at the subject property. For the purposes of this valuation, ValuStrat has assumed that the subject property is not flood prone. A formal written submission will be required for any further investigation which is outside of this report's scope of work. Note: It is understood that there is no known flooding in this area.
Landslip	ValuStrat's' verbal inquiries with local authorities were unable to confirm whether land slip is a point of concern at the subject property. For the purposes of this valuation, ValuStrat has assumed that the subject property is not within a landslip designated area. A formal written submission will be required for any further investigation which is outside of this report's scope of work.

2.10.1 TOWN PLANNING

Neither from our knowledge nor as a result of our inspection are, we aware of any planning proposals which are likely to directly adversely affect this property. In the absence of any information to the contrary, it is assumed that the existing use is lawful, has valid planning consent and the planning consent is not personal to the existing occupiers and there are no particular onerous or adverse conditions which would affect our valuation.

In arriving at our valuation, it has been assumed that each and every building enjoys permanent planning consent for their existing use or enjoys, or would be entitled to enjoy, the benefit of a "Lawful Development" Certificate under the Town & Country Planning Acts, or where it is reasonable to make such an assumption with continuing user rights for their existing use purposes, subject to specific comments.

We are not aware of any potential development or change of use of the property or properties in the locality which would materially affect our valuation.

For the purpose of this valuation, we have assumed that all necessary consents have been obtained for the subject property referred within this report. Should this not be the case, we reserve the right to amend our valuation and report.

2.10.2 SERVICES

We have assumed that the subject property referred within this report is connected to mains electricity, water, drainage, and other municipality services.

2.11 TENURE/TITLE

Unless otherwise stated we have assumed the freehold title is free from encumbrances and that Solicitors' local searches and usual enquiries would not reveal the existence of statutory notices or other matters which would materially affect our valuation. We are unaware of any rights of way, easements or restrictive covenants which affect the property; however, we would recommend that the solicitors investigate the title in order to ensure this is correct. The valuation assumes that the freehold title should confirm arrangements for future management of the building and maintenance provisions are adequate, and no onerous obligations affecting the valuation. This should be confirmed by your legal advisers. The subject property is registered under the below-mentioned title deed (refer to copy in the appendices section) which we assumed on freehold basis.

Should this not be the case we reserve the right to amend our valuation and this report.

Description	Property Details
Property Name	QBIC Plaza
Title Deed No.	410116050972
Title Deed Date	1/11/1441 Hijri
Land Area (sq. m.)	17,444.21
Owners	Sandouq Tamkeen (the SPV of AlAhli REIT Fund)
Location	Al Ghadeir District, Riyadh, KSA
Interest Valued	Freehold

Source: Client 2020

We have been instructed by the client that the subject property is leased to the Ministry of Housing (MOH) for an initial term of 3 years renewable for a full term of 6 years on a triple net basis. We also understand that the lease has completed.

For the purposes of this valuation exercise, we assume that there are no onerous terms and conditions impacting this valuation. Should this be the case, we reserve the right to amend our valuation and report.

NB: All aspects of tenure/title should be checked by the client's legal representatives prior to exchange of contract/drawdown and insofar as any assumption made within the body of this report is proved to be incorrect then the matter should be referred back to the valuer in order to ensure the valuation is not adversely affected.

2.12 METHODOLOGY & APPROACH

In determining our opinion of Market Value for the freehold interest in the subject property, we have utilized the Discounted Cash Flow (DCF) based on the first 6 years occupied by the Ministry of Housing (MOH) and partial vacant possession. With the phased occupation of operational tenants and so the 7th year market rent assumption is made as mentioned by the client.

2.12.1 DISCOUNTED CASH FLOW (DCF)

The subject property falls into a broad category of investment property with the prime value determinant being the properties ability to generate rentals and rental growth through the ongoing letting and reasonable maintenance.

In determining our opinion of Market Value of the subject property referred in this report, we have utilized the Investment Approach in specific, adopting a Discounted Cash Flow (DCF) technique. The DCF approach involves the discounting of the net cash flow (future income receivable under lease agreements and forecast take-up of vacant units) on a yearly basis over, in this instance, an assumed 10-year cash flow horizon. This cash flow is discounted at an appropriate rate to reflect the associated risk premium, in order to determine a Net Present Value of the subject property at that particular Internal Rate of Return (IRR) and exit equivalent yield. The projected income stream reflects the anticipated rental growth inherent in a property investment based upon the physical, tenancy or market characteristics related to that property.

In addition to projected operating costs and allowances, future capital expenditure can also be reflected in the cash flow. Cash inflows comprise income from the property adjusted to reflect actual and assumed lease conditions and rental growth, whilst cash outflows comprise operating costs adjusted to reflect anticipated inflation. The rental income being capitalised and discounted in the cash flow refers to net rental income, that is, the income stream after deductions for the associated operating expenses of the property as provided by the client.

2.12.2 MARKET RENTS, VALUATION ASSUMPTIONS & COMMENTARY

Sales or rental evidence for similar properties within Riyadh are not readily available or transparent due to the nature of the property market within the Kingdom of Saudi Arabia. Much if not all of the evidence is anecdotal, and this limitation may place on the non-reliability of such information and impact on values reported. In forming our opinion of Market Rent for the subject property, we have looked at the following market rental rates of similar strip malls and retail plazas within Riyadh.

			
Details	**Veranda F&B**	**Black Garden**	**Al Ezdihar Complex**
Type	F&B Plaza	F&B Plaza	Retail Strip
Location	Northern Ring Road	Northern Ring Road	Northern Ring cor. Othman Bin Affan
Retail Space Area (m²)	-	192 - 336	192 - 336
Retail Rental Rate per m²	SAR 1,500	SAR 850	SAR 850
Office Space Area (m²)	200 - 400	-	-
Office Rental Rate per m²	SAR 1,000	-	-

			
Details	**Sahafa Center**	**Tilal Center**	**Jarir Complex**
Type	Strip Mall	Strip Mall	Retail Strip
Location	King Abdulaziz Road	Al Malga District	Othman Bin Affan cor. Al Thumama Rd.
Retail Space Area (m²)	62 - 250	75 - 456	325 - 390
Retail Rental Rate per m²	SAR 1,200 - SAR 1,800	SAR 1,000 - SAR 2,000	SAR 1,000
Office Space Area (m²)	337 - 447	-	-
Office Rental Rate per m²	SAR 400 - SAR 550	-	-

			
Details	**Yarmouk Center**	**Tijan Plaza**	**Izdihar Center**
Type	Strip Mall	Retail Strip	Strip Mall
Location	Dammam Rd., Al Yarmuk	King Khalid Road	Izdihar District
Retail Space Area (m²)	74 - 320	114 - 280	200 - 1,200
Retail Rental Rate per m²	SAR 1,300 - SAR 1,800	SAR 690 - SAR 950	SAR 925 - SAR 1,060
Office Space Area (m²)	-	70 - 192	90 - 250
Office Rental Rate per m²	-	SAR 400 - 550	SAR 650

			
Details	**Al Tamayuz Center**	**Irqah Plaza**	**Rawana Plaza**
Type	Strip Mall	Retail Strip	Retail Strip
Location	Ghirnatah District	Irqah District	Uthman Bin Affan Road
Retail Space Area (m²)	150 - 576	88 - 320	208 - 317
Retail Rental Rate per m²	SAR 1,250 - SAR 1,680	SAR 1,200-SAR 2,000	SAR 1,000
Office Space Area (m²)	95 - 130	-	88 - 148
Office Rental Rate per m²	SAR 750 - SAR 1,020	-	SAR 550

Considering the above information, we have assumed the following rental rates for the subject property dependent upon the type, location, size and direction.

Type	Rent Rate Projection per m² (SAR)	
	Minimum	Maximum
Office	850	1,100
Restaurant	1,350	1,900
Terrace (Office)	350	650
Terrace (Restaurant)	500	900
Mezzanine	800	850
Shops	1,500	1,600
Showrooms	1,200	1,700

The subject property's Full Rental Income is SAR 25.8 million per annum.

However, we reiterate that the said figure is an estimate of possible rent the property will generate based on current market rental rates, assuming the property is complete and operational. We understand from the client the property is now complete.

2.12.3 ASSUMPTIONS & COMMENTARY

As mentioned above, the client has requested to provide an alternative valuation assessment for the subject property taking into consideration on the following scenario and assumptions that the subject property is leased to the Ministry of Housing (MOH) for an initial term of 3 years with a renewable full term of 6 years on a triple net basis. We also understand that the lease has completed.

We have likewise made the following additional assumptions:

1. The Lease with Ministry of Housing inclusive of VAT occupied for 6 years on triple net renewable basis.
2. On the assumption operational cost will be borne by the lessee.
3. The rental agreed is as follows:

   Years 1-3 – SAR 21,613,000 per annum

   Years 4-6 – SAR 20,532,320 per annum

4. Thereafter the cash flow assumes the subject property will revert to market rent at (SAR 25.8 million) on the basis provided at section 2.12.2 above and have not shown growth thereafter. With occupancy rates in year 7 at 90% and years 8-10 at 85%.
5. Should the above terms be incorrect, we reserve the right to amend our valuation and this report.

In this instance, we have adopted the following rates:

**Operational Cost*

Based on the sale & leaseback agreement, we have assumed the operational cost is the responsibility of the Lessee in the 6 years occupation. Once the rent reverts to market rent – vacant possession with have reflected an operational cost of 15%, although we do expect operational tenants to agree a service charge for the upkeep of common areas, etc. within the standard operational leases.

Discount Rate and Exit Yield

The discount rate reflects the return required to mitigate the risk associated with the particular investment type in question; therefore, echoes the opportunity cost of capital. To this we have to add elements of market risk and property specific risk. The market risk comes in the form of; inter alia, potential competition from existing and latent supply. Market risk will also reflect where we are in the property cycle and more importantly the valuation uncertainty and the current dip in the economy due to the current COVID-19 pandemic crisis. Hence, we have adopted a discount rate of 11%.

The exit yield is a resultant extracted from transactional evidence in the market; however, due to anecdotal evidence and limited market activity we have had to rely on anticipated investor expectations from typical property investments.

Based upon our experience and discussions in the market; we consider that investors would consider a yield between 8.0% to 9% to be an acceptable range of return given the subject property will be a new grade-A strip mall. Furthermore, the said property is considered to be attractive to investors as it is strategically located near the soon to be new Central Business District of Riyadh with the anticipated completion of the King Abdullah Financial District. Also, the property has an excellent accessibility thru the fronting King Abdul Aziz Road and the nearby Northern Ring Road, a major thoroughfare in the city. Also reflecting a strong covenant – Ministry oh Housing (MOH) occupying for the 6-year term. For these criteria, we have adopted an 8.5% yield for this exercise.

2.12.4 SUMMARY OF MARKET VALUE - DCF

The resultant value based upon the above variables/assumptions for the subject property is follows:

Property Name	Initial Passing Income	Exit Yield	Discount Rate	Property Value [Rounded]
QBIC Plaza	21,613,000 p.a.	8.5%	11%	SAR 259,000,000

2.12.5 ALTERNATIVE VALUATION ASSESSMENT (LAND PLUS COST APPROACH)

Equally we have assessed the land plus cost approach given investors/purchasers will consider high land prices in KSA as an investment along with potential cost of physical asset for good quality build. In determining our opinion, we have utilized the

Comparative approach plus Cost Approach based upon the built-up area provided by the client.

2.12.6 COMPARATIVE APPROACH

This method requires the collection of comparative market transactions that have occurred within the location of the subject site. Upon analysis and subsequent subjective adjustments, such evidence has then been applied to the subject property. Due to the nature of the property market within the Kingdom of Saudi Arabia, sales for similar properties are not readily available or transparent. Much if not all of the evidence is anecdotal and consequently in most circumstances this can place limitations on the veracity of such information and subsequently impact on values reported. Accordingly, the valuation has been prepared in accordance with normal practice taking into account our usual research and enquiries and our discussions with leading local commercial agents. We have analysed existing market commentaries and data in determining our opinion as to the applicable values. Information has also been sought from internal records and internet-based property intelligence sites. We draw your attention to any assumptions made within this report. We consider that the assumptions we have made accord with those that it would be reasonable to expect a purchaser to make.

2.12.7 LAND VALUATION ANALYSIS

The process of land valuation will be done using a Market Comparison Matrix wherein all gathered comparable data are recorded and adjusted accordingly thru various elements of comparison as explained below.

Adjustments of Comparable Data

The elements of comparison include property rights, legal encumbrances, financing terms, conditions of sale/offer (motivation), market conditions (sale/offer date), location, physical characteristics, available utilities, zoning, and highest and best use. The most variable elements of comparison are the site's physical characteristics, which include its size and shape, frontage/accessibility, topography, location, and availability of utilities. The units of comparison applied may be acres/hectares, square feet/meters, front feet, lots or any other unit used in the market. After the comparable data are collected, categorized, examined and described; the data can be assembled in an organized, logical manner. Sales and/or offers are commonly arranged on a sales comparison matrix as shown on succeeding pages. Adjustments for dissimilarities between the subject property and the comparable properties are made to the prices of the comparable. Following is an explanation of the major categories of comparison.

Property Rights Conveyed

The particular rights or interests being valued on a site must be defined. This is especially important in valuations that involve a partial interest in a property, limited rights such as surface or mineral rights, a freehold estate subject to a long-term lease, or a leasehold interest. Other encumbrances such as easements, mortgages, or special occupancy and use requirements, should also be identified if the comparable sales/offer property rights differ from the subject.

Financing/Conditions of Sale

Adjustments for conditions of sale reflect the motivations of the buyer and seller. The conditions under which a parcel of land may be sold could differ from property to property. Adjustments must be applied on a property that was sold under typical financing conditions.

Market Conditions (Time of Sale/Offer)

The time of sale/offer is the date that the comparable parcel was originally purchased or offered in the market. In order for the sale/offered property to be deemed comparable to the subject, it must be adjusted for inflation and deflation that has occurred from the date of sale/offer to the present.

Location

The analysis of a site's location focuses on the time-distance relationships between the site and common origins or destinations. It is also concerned with the location of the parcel in relation to heavily traversed thoroughfares and/or intersections.

Size

The size of the comparable is adjusted for superiority or inferiority to the subject. Generally, it is perceived that smaller parcels are worth more per square meter than larger parcels. However, in some rare cases where transactions involved parcels of less than one acre/hectare, the valuers have observed that larger lots sell for a higher per square meter price than smaller lots. We believe that this higher price is due to the additional space and utility that may be significant for the type of development calling for a larger land area.

Shape

The shape of a property defines what improvements may be constructed on a parcel of land. A rectangular or square property is ideal for most commercial construction. A triangular or wedged property may inhibit construction of specific improvements. A percentage adjustment is usually applied to the comparable for their superiority or inferiority to the subject.

Topography

Adjustments for a parcel's topography are based on the land's contour, grades, natural drainage, soil conditions, view, and general usefulness.

Accessibility

Accessibility involves the manner by which vehicular traffic and utility easements enter onto the property. Some examples are curb cuts, medians, turn lanes, traffic signal turn arrows, shipping docks, airport runways and docks, water, and gas line taps.

Zoning/Land Use

Zoning or Land use refers to the approved and allowable use of the land as regulated by appropriate government agencies. This will also refer to the highest and best use of the subject property.

Utilities

This addresses the availability of basic utilities, such as, water, power, gas, sewer, and storm drains at/or near the site analysed. These necessities cannot be deferred when the site is developed and any differences between the comparable and the subject represent an expense, which will materially affect the investment value of the property.

Summary of Adjustments

The succeeding page matrix contains a summary of previously described adjustments, which provides an indication as to the degree of adjustment made to the different elements in comparison. A numeric indicator indicates the level of adjustments, in terms of percentage when compared with the subject property. The use of (-) indicates a negative adjustment and a (+) indicates a positive adjustment. An adjustment (-) used is made to reflect superior characteristics of the comparable, while an upward adjustment (+) reflects inferior characteristics of the comparable. Finally, a 0 is used to confirm similarity between the comparable and the subject or is used when market information is unavailable or does not support an adjustment for any particular element of comparison. The following table summarizes these adjustments below.

2.12.8 MARKET PRICES

We discussed the tone of the land values in the immediate vicinity of the property with local agents/sellers. As a result, the following limited comparable evidence was compiled and analysed:

Land Use	*Land Area (m²)*	*Price/m² (SAR)*	*Location*
Commercial	27,000	10,000	Northern Ring cor. King Abdul Aziz
Commercial	13,750	10,000	Northern Ring Road, Al Ghandir
Commercial	5,775	7,500	Olaya Street, Al Ghandir District
Commercial	3,250	7,500	Northern Ring Road An Nafal Dist.

We have also provided the analysis of matrix shown below.

MARKET COMPARISON MATRIX									
	Subject	Comp. No.1		Comp. No.2		Comp. No.3		Comp. No.4	
Location	King Abdulaziz Road, AL Ghandir, Riyadh	Northern Ring Road, Al Ghandir, Riyadh		Northern Ring Road, Al Ghandir, Riyadh		Olaya Street, Al Ghandir, Riyadh		Northern Ring Road, An Nafal, Riyadh	
Instrument (Sale/Offer)		Offer		Offer		Offer		Offer	
Date of Sale/Offer		current		current		current		current	
Sale/Offer Price			270,000,000		137,500,000		43,312,500		24,375,000
Land Area (Square Meters)	17,444.21	27,000		13,750		5,775		3,250	
Price Per Sq. M. (Unadjusted)		SAR	10,000.00	SAR	10,000	SAR	7,500	SAR	7,500
ADJUSTMENTS									
Property Rights Conveyed	Freehold	Freehold		Freehold		Freehold		Freehold	
Comparisson/Adjustment		Equal	0%	Equal	0%	Equal	0%	Equal	0%
Adjusted Price			10,000.00		10,000		7,500		7,500
Condition of Sale/Offer	N/A	Offer		Offer		Offer		listing	
Comparisson/Adjustment		Allowance	-10%	Allowance	-10%	Allowance	-10%	Allowance	-10%
Adjusted Price			9,000.00		9,000.00		6,750.00		6,750.00
Change in Market Conditions	Jun-19	Jun-19		Jun-19		Jun-19		Jun-19	
Comparisson/Adjustment		Allowance	0%	Allowance	0%	Allowance	0%	Allowance	0%
Adjusted Price			9,000.00		9,000.00		6,750.00		6,750.00
PHYSICAL CHARACTERISTICS ADJUSTMENTS									
Location	good	better		better		good		better	
Comparison Adjustment		superior	-10%	superior	-10%	equal	0%	superior	-10%
Size (Land Area)	17,444	27,000		13,750		5,775		3,250	
Comparison Adjustment		equal	5%	equal	0%	superior	-30%	superior	-30%
Shape	regular	regular		regular		regular		regular	
Comparison Adjustment		equal	0%	equal	0%	equal	0%	equal	0%
Topography	level	level		level		level		level	
Comparison Adjustment		equal	0%	equal	0%	equal	0%	equal	0%
Utilities	available	available		available		available		available	
Comparison Adjustment		equal	0%	equal	0%	equal	0%	equal	0%
Accessibility	King Abdulaziz Rd.	Northern Ring Road Cor. King Abdulaziz Rd		Northern Ring Road		Olaya Street		Northern Ring Road	
Comparison Adjustment		superior	-20%	superior	-10%	equal	0%	superior	-10%
Zoning/Land Use	Commercial	Commercial		Commercial		Commercial		Commercial	
Comparison Adjustment		equal	0%	equal	0%	equal	0%	equal	0%
Total Gross Adjustments			35.0%		20.0%		30.0%		50.0%
Total Net Adjustments			-25%		-20%		-30%		-50%
Final Adjusted Sales Price (Net Adjustment Basis)			6,750.0		7,200.0		4,725.0		3,375.0
% Weight			25%		25%		25%		25%
Weight Equivalent			1,688		1,800		1,181		844
Weighted Value Per Sq.m.		5,513							
ROUNDED TO (SAR)		**5,500**							
TOTAL VALUE (SAR)		**96,000,000**							

2.12.9 LAND VALUATION SUMMARY

Based upon the information above and as a result, taking the individual characteristics of the subject property into account such as location, size, shape, topography, utilities and land use; and cross referencing them with our findings, we are of the opinion that the subject land is reasonably priced at SAR 5,500 per square meter.

We can accurately reflect the Market Value of the subject land as follows:

Land Use	Land Area (m²)	Price/m²(SAR)	Market Value (SAR)
Commercial	17,444.21	5,500	96,000,000

2.12.10 COST APPROACH

In determining the value for the Built-Up Area (BUA) for the subject property, we have conducted the Cost Approach assuming the building is fully completed.

2.12.11 ASSUMPTIONS

Based upon our research and inquiries with private building contractors and developers, taking into consideration the prevailing 2019 prices of construction materials in Saudi Arabia, our assumptions used in the Cost Assessment is as follows:

Building Name	BUA (m²)	Cost per m² - new (SAR)
QBIC Plaza	37,588.33	3,700

Source: ValuStrat Research and Local Building Contractors & Developers

ValuStrat would stress that we are not Quantity Surveyors and the reported construction cost is only an estimate and is based upon reported costs of other similar construction in the market area of the subject and/or by recognized costing services.

2.12.12 BUILDING AGE/DEPRECIATION

Given that the subject property is still under-construction and although we had assumed it to be fully complete, hence, building depreciation is 0%.

2.12.13 BUILDING COST ASSESSMENT SUMMARY

The table below provides the summary of building cost assessment of the subject property based upon our aforementioned assumptions.

Building Name	BUA (m²)	Cost per m² (SAR)	% Depreciation	Depreciated Value (SAR)
QBIC Plaza	37,588.33	3,700	0%	139,000,000

2.12.14 VALUATION SUMMARY BY LAND PLUS COST APPROACH

Property Component	*Market Value (SAR)*
Land (Area = 17,444.21 m² @ SAR 5,500/m²)	96,000,000
*QBIC Plaza	139,000,000
Total Value - Rounded (SAR)	235,000,000

**We would stress that we are not Quantity Surveyors and the reported construction cost is only an estimate and is based upon reported costs of other similar construction in the market area of the subject and/or by recognized costing services.*

2.13 VALUATION

2.13.1 MARKET VALUE

ValuStrat is of the opinion that the Market Value of the freehold interest in the subject property referred within this report, as of the date of valuation, based upon the Discounted Cash Flow (DCF) Approach and assumptions expressed within this report, may be fairly stated as follows;

Market Value (rounded and subject to details in the full report):

SAR 259,000,000 (Two Hundred Fifty-Nine Million, Saudi Arabian Riyals).

The client is advised that whilst all reasonable measures have been taken to supply an accurate valuation as possible as at the Valuation date, this figure should be considered in the context of the volatility of today's marketplace.

We are currently experiencing a very uncertain property market and due to the reduced level of transactions, there is an acute shortage of comparable evidence upon which to base valuations. Due to this shortage, it may be necessary at times for a Valuer to draw upon evidence which is of a historical nature.'

The valuation assumes that the freehold title should confirm arrangements for future management of the building and maintenance provisions are adequate, and no onerous obligations affecting the valuation. This should be confirmed by your legal advisers.

The value provided in this report is at the top end of the range for properties of this location and character and will necessitate that the property be maintained to a good standard to maintain its value.

2.14 MARKET CONDITIONS SNAPSHOT

2.14.1 MARKET ASSESSMENT, TIMES OF UNCERTAINTY (COVID-19 PANDEMIC) & VALUATION COMMENTARY OVERVIEW

At a time of unprecedented trial over the Coronavirus COVID-19 and the global spread of the virus, it has meant a significant impact on global financial markets as geographies experience continued spread and increase of pandemic cases. This has meant a global shutdown/lockdown of economies with most sectors affected.

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organization (WHO) as a "Global Pandemic" on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries across the globe. Market activity is being impacted in many sectors.

Prior to the global rapid spread of the virus and the announcement by the KSA authorities of an initial indefinite lockdown, the KSA real estate market was in a healthy position with many analysts predicting a strong 2020 for real estate (vision 2020) with the positive activity and investment by the government unveiling a number of reforms, including recent facilitation of the tourism visa, where citizens of 49 countries are now able to apply e-visas and holders of Schengen, UK or US visas are eligible for visas on arrival.

Also, the government has now allowed the full foreign ownership of retail and wholesale operations along with previously opening up of the Tadawul Stock Market to foreign investment supported by current energy reforms, cutting subsidies, creating jobs, privatising state-controlled assets and increasing private sector contribution to the country's economy, etc. With all the opportunities throughout the Kingdom and the creation of the Giga projects, there was an ambitious resilience which was suddenly shutdown overnight due to the initial lockdown period. Presently the whole of the KSA is on a 24-hour lockdown given that Coronavirus cases have passed 39,000 (thirty-nine thousand). With all the current uncertainty, market stagnation and short-term challenges whereby force majeure (as a result of the pandemic's cause beyond anyone's reasonable control) has created inactivity in the real estate market with the market currently at a standstill.

Given as mentioned above the KSA market's ambitions and resilience, we understand investor sentiment remains strong as it was prior to the virus pandemic and the KSA was on an upward course showing growth in the last quarter of 2019 after a period of subdued market conditions.

The current global crushing of liquidity in economies will have impact on markets and real estate market and this maybe the case with many economies across the globe; however, the KSA market has shown resilience in previous years through a period of downward trend (2016-18), a correction allowing for the market to bottom out with 2019 experiencing growth in the first quarter and subdued market conditions throughout 2019. The latter part of Q4 – 2019 saw positive growth with strong investor appetite, though the market lacking good quality stock. Now with the Saudi government confirming a stimulus package of SAR 120 billion, we understand the market will bounce back with investors underlying strong appetite. This will delay any evidence in the short term of declining prices and with the government stimulus will assist any short-term losses on transactions, private and public funds, although will need to be sustained in the short-term.

The KSA real estate sector generally follows the fortunes of the greater economy and while the oil reserves were left off prior to the pandemic fairly strong, although currently a price war between major producers is adding to a growing supply glut, though this will help KSA once markets start normalizing again. The KSA economy remains stable and backed-by strong fundamentals of the KSA market (i.e. young growing population) and also the economic transformation plan transforming the Kingdom towards a service economy post-oil era.

In short, the pandemic is expected to be a short-term shock wave with an eventual surge of business activity leading to a rapid recovery either in the form of a "V-shape" or a more gradual recovery in the form of a "U-shape" bounce back. Accordingly, we expect the KSA market to surge in business once the lockdown is lifted allowing for markets to start flourishing towards long term sustainability in social trends and patterns along with socio-economic distancing in a growing cycle. On the other hand, should the global economic impact of the Coronavirus pandemic (COVID-19) outbreak depends on how long the virus lasts, how far it spreads and how much lock-down, public organizations quarantines disrupt the market.

Indeed, the current response to COVID-19 means that we are faced with unprecedented set of circumstances on which to base judgement(s). There is strong evidence that real estate markets spring back to strong activity and growth fairly quickly. Equally, the short-term generally speaking we do not expect the current real estate market to show any small adjustment in prices/rates due to non-activity or a market standstill especially prior the market was on an upward trend. The KSA real estate market is a developing market with much invested by the government in infrastructure projects so we expect the government's latest stimulus to preserve liquidity and for demand to hold having limited / no bearing on prices / rates. However, should the pandemic persist throughout 2021, we do expect adjustment later on in 2021.

Our valuation(s) is / are therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case.

Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of the subject property under frequent review.

2.14.2 MARKET CONDITIONS PRIOR TO THE PANDEMIC & THE KSA LOCKDOWN

The Kingdom of Saudi Arabia (KSA) - world's largest exporter of crude oil, embarked four years (2016) ago on an ambitious economic transformation plan, "Saudi Arabia Vision 2030". In a hope to reduce its reliance on revenue from hydrocarbons, given the plummeting oil price revenues from 2014.

Through the current vision and in a post oil economy, KSA is adapting to times of both austerity measures and a grand ambitious strategy. With an overdue diversification plan Saudi Arabia's economic remodelling is about fiscal sustainability to become a non-dependent nation of oil. This is supported by current energy reforms, cutting subsidies, creating jobs, privatising state-controlled assets and increasing private sector contribution to the country's economy.

Despite economic headwinds, across the region, KSA has shown resilience through a period of subdued real estate market activity. The real estate sector generally follows the fortunes of the greater economy and whilst Saudi Arabia is undergoing structural reforms politically, economically and socially will transform the Kingdom towards a service economy post-oil era.

These changes along with significant amounts of investment - estimated to soon be over 1 trillion US dollars will create vast amounts of opportunities for the public and private sectors across all businesses segments.

The KSA economy in the first quarter of 2019 has relied on the current oil price rise to pull it out of recession; however, the previous 18-24 months, KSA faced a protracted spell of economic stress, much of which can be attributed to the falling oil prices coupled with regional political issues.

Oil prices are starting to surge again around 80 dollars a barrel currently from under 30 dollars a barrel in early in 2016 which resulted in a crash in prices and the economy dipped into negative territory in 2017 for the first time since 2009, a year after the global financial crisis.

General consensus anticipates a piercing improvement in the Saudi economy in the period ahead (2019-2020), supported by both the oil and non-oil sector. So ultimately it appears the economy will still need to rely on oil revenues to bridge the gap in the short term with a budget deficit over the past 3 years and the Kingdom borrowing from domestic and international markets along with hiking fuel and energy prices to finance the shortfall.

The economy slipped into recession in 2018 but returned to growth this year 2019, albeit at the fairly modest level of 1.7%, according to estimates from the International Monetary Fund (IMF).

However, the return to growth is mainly due to a return to increase in oil prices again and output which, in turn, is enabling an increase in government spending. Accordingly, in the short term needs to rely on the oil revenue and this reliance is being channelled into public spending.

The non-oil economy is growing, but at a slow place. Analysts are forecasting non-oil GDP to grow by 1.4% this year, compared to 1% in 2017. Even here, the non-government sector is coping relatively poorly. Analysts are forecasting non-oil private sector growth of 1.1%, this year, up from 0.7% last year.

The reforms that have been pushed through to date have led to important changes aiding the economy. The opening up of the entertainment industry will create jobs for young locals and women driving makes it easier for millions more people to enter the workforce.

Reforms to the financial markets have led indexing firms to bring the Saudi Stock Market (Tadawul) into the mainstream of the emerging markets universe which now assists to draw in many billions of investment dollars. A due enactment of law will encourage public-private partnerships to herald more foreign investment.

The economic transformation that the KSA has embarked upon is complex and multidimensional and will certainly take time to turn around a non-oil serviced economy, although there have been recent positive signs, but it will remain in the short term with the support of oil revenues.

On the other hand, the KSA was resilient in the previous recession in 2007/2008 on strong oil reserves and not only can the Saudi government be relied upon to step in to rescue troubled lenders, reliable institutions for procedural reasons but crucially, it can also afford to do so, although has suffered due to previous oil price declines and it has meant increased spending.

Vision 2030 to diversify the economy from reliance on oil, has only just commenced and with a young and increasingly well-educated population, together with its own sovereign wealth fund, the Kingdom has many favourable factors to become a leading service sector economy in the region.

Reform efforts include a reduction of subsidies on fuel and electricity and the implementation of a 5 per cent VAT back on 01 January 2018 which increased to 15 per cent as of 01 July 2020. The government is also striving to get women to play a greater role in the economy including allowing them to drive back in 2019.

Wider reforms have been initiated by the government allowing for the entertainment industry to flourish with the opening of the first cinema in King Abdullah Financial District (KAFD) along with 4 VOX screens opening at Riyadh Park Mall.

The cinema entertainment is spurred on by Public Investment Fund (PIF) in collaboration with AMC Cinemas and led by the Development and Investment Entertainment Company (DIEC), a wholly owned subsidiary of PIF.

With an objective of 30 to 40 cinemas in approximately 15 cities in Saudi Arabia over the next five years, and 50 to 100 cinemas in about 25 Saudi cities by 2030.

As part of wider reforms to overhaul the economy and to allow for deep rooted diversification, the PIF have initiated plans to bolster the entertainment industry by forming ambitious plans such as the following:

<u>Red Sea Tourism Project</u>

To transform 50 islands consisting of 28,000 square kilometres along the Red Sea coastline into a global tourism destination. For ease of reference to illustration below showing the location in relation to the Kingdom of Saudi Arabia.

<u>Al Faisaliyah Project</u>

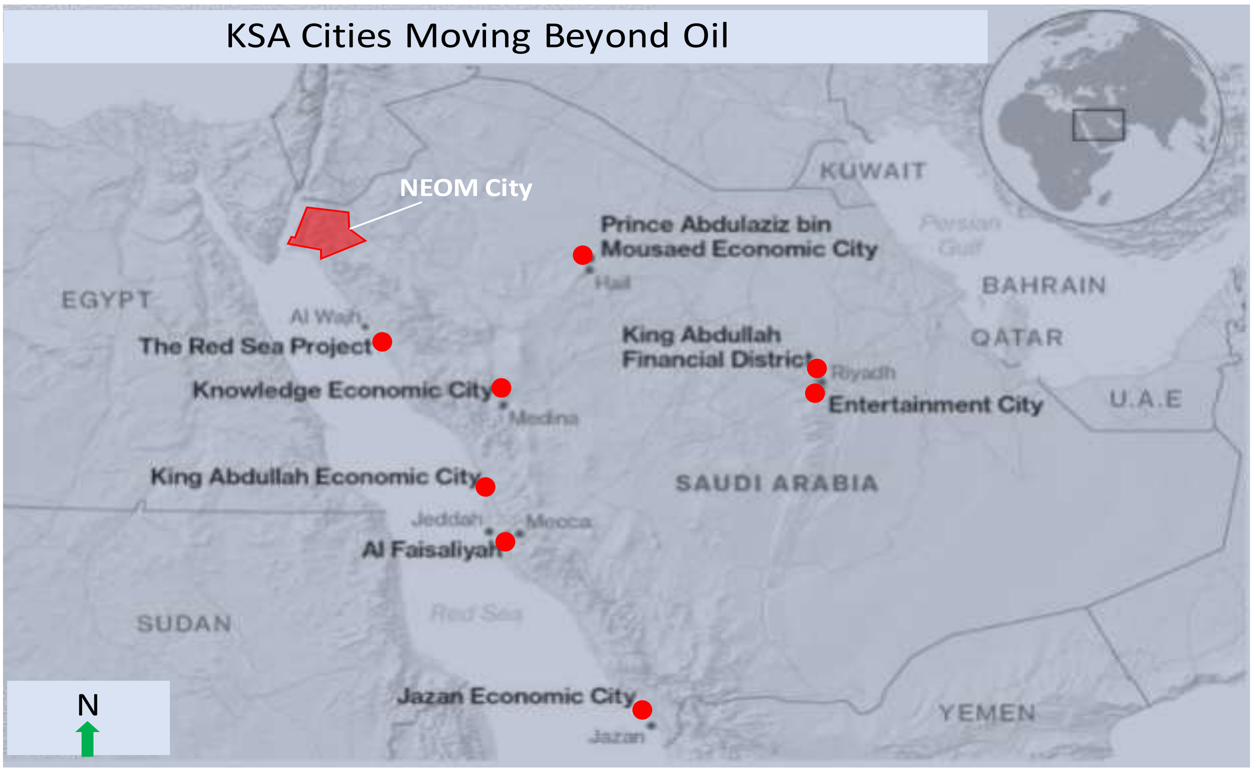
The project will consist of 2,450 square kilometres of residential units, entertainment facilities, an airport and a seaport. Refer to the below illustration for the location.

Qiddiya Entertainment City

Qiddiya Entertainment City will be a key project within the Kingdom's entertainment sector located 40 kilometres away from the center of Riyadh. Currently alleged for "The First Six Flags-branded theme park". The 334 square kilometre entertainment city will include a Safari park too.

The project will be mixed use facility with parks, adventure, sports, events and wild-life activities in addition to shopping malls, restaurants and hotels.

The project will also consist around 4,000 vacation houses to be built by 2025 and up to 11,000 units by 2030. Again, for ease of reference refer to the below illustration for the location.



Neom City

The NEOM city project will operate independently from the "existing governmental framework" backed by Saudi government along with local and international investors.

The project will be part of a 'new generation of cities' powered by clean energy. The ambitious plan includes a bridge spanning the Red Sea, connecting the proposed city to Egypt and stretch into Jordan too.

Economic Cities

The overall progress with the Economic Cities has been slow and projects on hold over the past 7-10 years, although KAFD has recently given the go ahead to complete by 2020. Within the Saudi Vision 2030 the governed referenced that they will work to “salvage” and “revamp”.

Real Estate Growth

Overall ValuStrat research reveals that real estate sectors have continued to decline in both sales and rental values. We expect demand to remain stable due to fundamentals of a growing young population, reducing family size, increasing middle-class and a sizeable affluent population – all of which keeps the long-term growth potential intact.

Despite short term challenges, both investors and buyers remaining cautious, the Saudi economy has shown signs of ambition with the government unveiling a number of reforms, including full foreign ownership of retail and wholesale operations along with opening up of the Tadawul Stock Market to foreign investment as well as the reforms mentioned in the previous section referred above.

As mentioned earlier, KSA experienced positive growth by oil price rise in the first quarter of 2019; hence the main driver of the recovery remains oil. Over 2020 we envisage the Kingdom’s consumer outlook to be more favourable in economic conditions.

Moreover, tax on development land implemented in 2017/18 has kept the construction sector afloat, encouraging real estate developers. Adapting to a new KSA economic reality has been inevitable, although the Kingdom’s oil dynamics remain pivotal for future development within the KSA 2030 economic vision plan.

In latter part of 2017, the Public Investment Fund (PIF), Saudi Arabia’s sovereign wealth fund set up a real estate refinancing company aimed at advancing home ownership in the Kingdom, which suffers from a shortage of affordable housing. This initiative will create stability and growth in the Kingdom’s housing sector by injecting liquidity and capital into the market. Another plan to help kick start the real estate market by boosting the contribution of real estate finance to the non-oil GDP part. The real estate sector has played an increasingly important role in the Saudi Arabian economy. Growing demand across all sectors combined with a generally limited supply has forced real estate prices to accelerate over the past (2008-2016).

The close ties with the construction, financing institutions and many others have provided crucial resources that contributed to the development of the Saudi economy. The real estate market performance in 2019 and the general trend in KSA for most sectors have remained subdued given lower activity levels, while prices have been under pressure across most asset classes leading to a gradual softening of rental and sale prices.

The real estate sector remains subdued and prices may have bottomed out across sectors and we expect in the medium to long term for the market to pick-up further growth given the reforms and transformation in KSA, although we expect the growth to be slow and steady subject to a stable political environment in KSA and across the region. The outlook remains optimistic for the longer term due to the various KSA initiatives aimed at stimulating the real estate market whilst encouraging the private sector to play a key role in the transformation.

All in all, market volatility remains currently, and prices are likely to witness further deterioration in the short term. A watching brief should be kept on the economy, although we expect the economy to gather some pace later in 2021.

Property values are subject to fluctuation over time as market conditions may change. Valuation considered full figure and may not be easily achievable in the event of an early re-sale. It must be borne in mind that both rental and capital values can fall as well as rise.

2.15 VALUATION UNCERTAINTY

This valuation has been undertaken against a background of significant levels of Market volatility is one of the main reasons of Valuation uncertainty in the real estate market in the Kingdom and within the GCC region given the dramatic changes in markets in current oil price slump and other factors too. We are currently experiencing a very uncertain property market and due to the reduced level of transactions, there is an acute shortage of comparable evidence upon which to base valuations.

Given the current uncertainties it may be necessary at times for a Valuer to draw upon evidence which is of a historical nature. The current shortage of transaction, combined with a rapidly changing market only serves to highlight the unpredictability of the current market, which is subject to change on a day by day basis.

The RICS valuation standards consider it essential to draw attention to foreseen valuation uncertainties that could have a material effect on valuations, and further advises to indicate the cause of the uncertainty and the degree to which this is reflected in reported valuations.

We further state that given the valuation uncertainty stated above our valuation represents our impartial calculated opinion / judgement of the properties, based on relevant market data and perceptions as at the date of valuation.

The client is advised that whilst all reasonable measures have been taken to supply as accurate a valuation as possible as at the Valuation date, this figure should be considered in the context of the volatility of today's marketplace.

The client is also recommended to consider the benefits in such a market, of having more frequent valuations to monitor the value of the subject property.

2.16 DISCLAIMER

In undertaking and executing this assignment, an extreme care and precaution has been exercised.

This report is based on information provided by the Client. Values will differ or vary periodically due to various unforeseen factors beyond our control such as supply and demand, inflation, local policies and tariffs, poor maintenance, variation in costs of various inputs, etc.

It is beyond the scope of our services to ensure the consistency in values due to changing scenarios.

2.17 CONCLUSION

This report is compiled based on the information received to the best of our belief, knowledge and understanding. The information revealed in this report is strictly confidential and issued for the consideration of the Client.

No part of this report may be reproduced either electronically or otherwise for further distribution without our prior and written consent. We trust that this report and valuation fulfils the requirement of your instruction.

This report is issued without any prejudice and personal liability.

For and on Behalf of, ***ValuStrat.***

Mr. Ramez Al Medlaj (Taqeem Member No. 1210000320 Senior Associate, KSA	Mr. Yousuf Siddiki (Taqeem Member No. 1210001039) Director - Real Estate, KSA

مكتب خبير التثمين العقاري

س.ت : ٤٠٣٠١٧٩٤٢٩

APPENDIX 1 - PHOTOGRAPHS




APPENDIX 2 - COPY OF BUILDING PERMIT

أمانة منطقة الرياض
إدارة رخص البناء
نوع المعاملة: صادر
التاريخ: ١٤٣٩/١٢/١٩ هـ
المرفقات: بدون
الرقم الموحد: ٣٩٠٠١٥٤٢٩٤
www.alriyadh.gov.sa

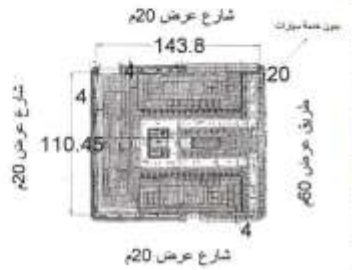
رقم الرخصة: ١٤٣٩/١٩٤٥٣
تاريخ الرخصة: ١٤٣٩/١٢/٢٩
تاريخ الإنتهاء: ١٤٤٢/١٢/٢٩
نوع الرخصة: تعديل مخططات البناء

رخصة
بناء معارض تجارية ومكاتب

اسم المالك: عبدالعزيز عبدالله عبدالعزيز الموسى	الرخصة الفورية
رقم الإثبات: ١٠١٤٣٣٢٥٧٩ تاريخه:	مصدره:
رقم الصك: ٧١٠١١٢٠٠٣٣٣٣١	تاريخه: ١٤٣٦/٠١/٠٣
رقم القطعة: ٢١و٢٥و٢٦و٢٢	رقم المخطط التنظيمي: ٢٧٢٩
الشارع:	رقم العقار:
الحي: حي القيروان	نوع البناء: مسلح
مساحة الأرض: ١٧٤٢٦,٢١ م٢ محيط الأسوار: م.ط	النطاق العمراني: مرحلة ١

الجهة	الحدود	الأبعاد	الإرتداد
شمال	ش ٢٠م	١٤٣,٨	٤
شرق	طريق ٦٠م	١١٠,٤٥	٢٠
جنوب	ش ٢٠م	١٤٣,٨	٤
غرب	ش ٢٠م	١١٠,٤٥	٤

مكونات البناء	عدد الوحدات	المساحة	الإستخدام
قبو	٠	٥١٦٧,٧٩	مواقف
دور أول	٦	٢٦٥١,٤٠	مطعم
ميزانين	٠	١٥٥٣,٣٧	معارض
دور أرضي	٣٤	٧٨٣٢,١٢	معارض
قبو ثاني	٠	١٤٤٩٢,٩٤	مواقف
دور أول	١٢	٣٠٥٠,٠٠	مكاتب
غرفة كهرباء	٠	١٤٩,٢٥	غرفة كهرباء
ملاحق علوية	٦	١٦٠٩,٠٠	مكاتب
ملاحق علوية	٤	١٢٣١,٥٧	مطعم
أسوار	١	٢٥٥,٠٠	خدمات



★ المسطح الذي يجب الالتزام به عند تنفيذ المنشأة هو رخصة البناء وإن اختلفت المخططات المعتمدة
★ يجب الالتزام بتنفيذ العزل الحراري المنصوص عليه وفق كود البناء السعودي وذلك حسب تعميم وزير الشؤون البلدية والقروية رقم 8585 تاريخ 17-2-1434 هـ
★ يلزم توفير غرفة كهرباء بأبعاد 4*5م اذا تجاوزت مسطحات البناء عن 1000م2

تم أخذ تعهد خطي من المالك بأنه لن توصل له الخدمة الكهربائية في حال عدم تنفيذ العزل الحراري طبقاً لكود البناء السعودي

المكتب المصمم: عبدالمحسن ذياب الذياب للاستشارات الهندسة المعمارية

رقم الترخيص: ٣٠٣٦ رقم المشروع: ١٠ رمز النظام: مناسيب الشوارع المحيطة:

سدد الرسوم مبلغ وقدره: ١٤٩٢٣ ريال بموجب الإيصال رقم: ٣٦٠٣٢٣٨٧٠٤ وتاريخ: ١٤٣٦/١٢/٢٥ هـ

ملاحظات: [illegible]

رئيس قسم الرخص	مدير إدارة الرخص	مدير عام رخص البناء	الختم الرسمي
م/ مسفر سعيد آل حرضان	م/ سعد عبدالله الدوسري	م/ مشهور محمد الطيشي	بلدية شمال الرياض

أي كشط أو شطب يلغي هذه الرخصة.
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ValuStrat
Private & Confidential

Valuation Report

SALAMA TOWER, JEDDAH, KSA

AL AHLI REIT (1) / NCB CAPITAL / NCB GROUP

<u>REPORT ISSUED 10 FEBRUARY 2021</u>

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TABLE OF CONTENTS

1 EXECUTIVE SUMMARY

THE EXECUTIVE SUMMARY AND VALUATION SHOULD NOT BE CONSIDERED OTHER THAN AS PART OF THE ENTIRE REPORT.

1.1 THE CLIENT

AlAhli REIT Fund (1)
NCB Capital / NCB Group
Kingdom of Saudi Arabia

1.2 THE PURPOSE OF VALUATION

The valuation is required for the year-end exercise of AlAhli REIT Fund (1).

1.3 INTEREST TO BE VALUED

The below-mentioned property is the scope of this valuation exercise.

Description	*Property Details*
Property Name	Salama Tower
Land Area (sq. m.)	7,682
Built-Up Area (sq. m.)	58,919.3
Net Leasable Area (sq. m.)	29,721.33
Owner	Sandouq Tamkeen Real Estate Company
Location	As Salamah District, Jeddah, KSA
GPS Coordinates	21°36'36.57"N, 39°9'21.28"E
Interest Valued	Freehold

Source: Client 2020

1.4 VALUATION APPROACH

We have undertaken the Discounted Cash Flow (DCF) Approach to Valuation.

1.5 DATE OF VALUATION

Unless stated to the contrary, our valuations have been assessed as at the date of our report based on 31 December 2020.

The valuation reflects our opinion of value as at this date. Property values are subject to fluctuation over time as market conditions may change.

1.6 OPINION OF VALUE

Property Name	*Passing Income (SAR)*	*Exit Yield*	*Discount Rate*	*Property Value [Rounded]*
Salama Tower	23,100,000 p.a.	9%	11.5%	SAR 258,400,000

The executive summary and valuation should not be considered other than as part of the entire report. The client is advised that whilst all reasonable measures have been taken to supply an accurate valuation as possible as at the Valuation date, this figure should be considered in the context of the volatility of today's marketplace.

1.7 SALIENT POINTS (GENERAL COMMENTS)

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries across the globe.

Market activity is being impacted in many sectors. Despite short term challenges whereby force majeure (as a result of the pandemic cause beyond anyone's reasonable control) has created inactivity in the real estate market with the market currently at a standstill. Although we understand investor sentiment remains strong as it was prior to the virus pandemic and the KSA was on an upward trajectory showing growth in the last quarter of 2019 after a period of subdued market conditions.

With all positive activity and investment by the government creating opportunities through projects across the Kingdom and through the creation of the Giga projects and now a stimulus package of SAR 120 billion, we understand the market will bounce back with investors and buyers having a strong appetite. We understand the current uncertainty and market stagnation will not allow a fairly resilient market to stop where it left off prior to the pandemic. In short, we suspect the pandemic effect to be a short-term shock and expect a rapid recovery and a surge in business activity to bounce back allowing markets to start flourishing towards a growth cycle.

Accordingly, to inform opinions of value, we have kept to the previous figures published in our valuation exercise in (December 2019) for the same property referred in this report.

Our valuation(s) are therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of the property(s) under frequent review.

We are unaware of planning or other proposals in the area or other matters which would be of detriment to the subject property, although your legal representative should make their usual searches and enquiries in this respect.

We confirm that on-site measurement exercise was not conducted by ValuStrat International, and we have relied on the site areas provided by the Client. In the event that the areas of the property and site boundary prove erroneous, our opinion of Market Value may be materially affected, and we reserve the right to amend our valuation and report.

We have assumed that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings and good title can be shown. For the avoidance of doubt, these items should be ascertained by the client's legal representatives.

ValuStrat draws your attention to any assumptions made within this report. We consider that the assumptions we have made accord with those that would be reasonable to expect a purchaser to make.

We are unaware of any adverse conditions which may affect future marketability for the subject property.

It is assumed that the subject property is freehold and is not subject to any rights, obligations, restrictions and covenants.

This report should be read in conjunction with all the information set out in this report, we would point out that we have made various assumptions as to tenure, town planning and associated valuation opinions. If any of the assumptions on which the valuation is based is subsequently found to be incorrect, then the figures presented in this report may also need revision and should be referred back to the valuer.

Note that property values are subject to fluctuation over time as market conditions may change. The client is advised that whilst all reasonable measures have been taken to supply an accurate valuation as possible as at the Valuation date, this figure should be considered in the context of the volatility of today's marketplace.

Valuation considered full figure and may not be achievable in the event of an early re-sale.

The valuation assumes that the freehold title should confirm arrangements for future management of the building and maintenance provisions are adequate, and no onerous obligations affecting the valuation. This should be confirmed by your legal advisers.

This executive summary and valuation should not be considered other than as part of the entire report.

2 VALUATION REPORT

2.1 INTRODUCTION

Thank you for the instruction regarding the subject valuation services.

We ('ValuStrat', which implies our relevant legal entities) would be pleased to undertake this assignment for Al Ahli REIT (1) / NCB Capital / NCB Group ('the client') of providing valuation services for the property mentioned in this report subject to valuation assumptions, reporting conditions and restrictions as stated hereunder.

2.2 VALUATION INSTRUCTIONS / PROPERTY INTEREST TO BE VALUED

Description	*Property Details*
Property Name	Salama Tower
Land Area (sq. m.)	7,682
Built-Up Area (sq. m.)	58,919.3
Net Leasable Area (sq. m.)	29,721.33
Owner	Sandouq Tamkeen Real Estate Company
Location	As Salamah District, Jeddah, KSA
GPS Coordinates	21°36'36.57"N, 39°9'21.28"E
Interest Valued	Freehold

Source: Client 2020

2.3 PURPOSE OF VALUATION

The valuation is required for the semi-annual exercise of AlAhli REIT Fund (1).

2.4 VALUATION REPORTING COMPLIANCE

The valuation has been conducted in accordance with Taqeem Regulations (Saudi Authority for Accredited Valuers) and the International Valuation Standards Council (IVSCs') incorporating International Valuations Standard (IVS).

It should be further noted that this valuation is undertaken in compliance with generally accepted valuation concepts, principles and definitions as promulgated in the IVSCs International Valuation Standards (IVS) as set out in the IVS General Standards, IVS Asset Standards, and IVS Valuation Applications.

2.5 BASIS OF VALUATION

2.5.1 MARKET VALUE

The valuation of the subject property, and for the above stated purpose, has been undertaken on the ***Market Value*** basis of valuation in compliance with the above-mentioned *Valuation Standards* as promulgated by the IVSC and adopted by the RICS. ***Market Value*** is defined as: -

The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties have each acted knowledgeably, prudently and without compulsion.

The definition of ***Market Value*** is applied in accordance with the following conceptual framework:

"***The estimated amount***" refers to a price expressed in terms of money payable for the asset in an arm's length market transaction. *Market value* is the most probable price reasonably obtainable in the market on the *valuation date* in keeping with the *market value* definition. It is the best price reasonably obtainable by the seller and the most advantageous price reasonably obtainable by the buyer. This estimate specifically excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, special considerations or concessions granted by anyone associated with the sale, or any element of *special value*;

"***an asset should exchange***" refers to the fact that the value of an asset is an estimated amount rather than a predetermined amount or actual sale price. It is the price in a transaction that meets all the elements of the market value definition at the *valuation date*;

"***on the valuation date***" requires that the value is time-specific as of a given date. Because markets and market conditions may change, the estimated value may be incorrect or inappropriate at another time. The valuation amount will reflect the market state and circumstances as at the *valuation date*, not those at any other date;

"***between a willing buyer***" refers to one who is motivated, but not compelled to buy. This buyer is neither over eager nor determined to buy at any price. This buyer is also one who purchases in accordance with the realities of the current market and with current market expectations, rather than in relation to an imaginary or hypothetical market that cannot be demonstrated or anticipated to exist. The assumed buyer would not pay a higher price than the market requires. The present owner is included among those who constitute "the market";

"***and a willing seller***" is neither an over eager nor a forced seller prepared to sell at any price, nor one prepared to hold out for a price not considered reasonable in the current market. The willing seller is motivated to sell the asset at market terms for

the best price attainable in the open market after proper marketing, whatever that price may be. The factual circumstances of the actual owner are not a part of this consideration because the willing seller is a hypothetical owner;

"***in an arm's-length transaction***" is one between parties who do not have a particular or special relationship, e.g. parent and subsidiary companies or landlord and tenant, that may make the price level uncharacteristic of the market or inflated because of an element of *special value*. The *market value* transaction is presumed to be between unrelated parties, each acting independently;

"***after proper marketing***" means that the asset would be exposed to the market in the most appropriate manner to effect its disposal at the best price reasonably obtainable in accordance with the *market value* definition. The method of sale is deemed to be that most appropriate to obtain the best price in the market to which the seller has access. The length of exposure time is not a fixed period but will vary according to the type of asset and market conditions. The only criterion is that there must have been sufficient time to allow the asset to be brought to the attention of an adequate number of market participants. The exposure period occurs prior to the *valuation date*;

'***where the parties had each acted knowledgeably, prudently***' presumes that both the willing buyer and the willing seller are reasonably informed about the nature and characteristics of the asset, its actual and potential uses and the state of the market as of the *valuation date*. Each is further presumed to use that knowledge prudently to seek the price that is most favorable for their respective positions in the transaction. Prudence is assessed by referring to the state of the market at the *valuation date*, not with benefit of hindsight at some later date. For example, it is not necessarily imprudent for a seller to sell assets in a market with falling prices at a price that is lower than previous market levels. In such cases, as is true for other exchanges in markets with changing prices, the prudent buyer or seller will act in accordance with the best market information available at the time;

'***and without compulsion***' establishes that each party is motivated to undertake the transaction, but neither is forced or unduly coerced to complete it.

Market value is the basis of value that is most commonly required, being an internationally recognized definition. It describes an exchange between parties that are unconnected (acting at arm's length) and are operating freely in the marketplace and represents the figure that would appear in a hypothetical contract of sale, or equivalent legal document, on the valuation date, reflecting all those factors that would be taken into account in framing their bids by market participants at large and reflecting the highest and best use of the asset. The highest and best use of an asset is the use of an asset that maximizes its productivity and that is possible, legally permissible and financially feasible.

Market value is the estimated exchange price of an asset without regard to the seller's costs of sale or the buyer's costs of purchase and without adjustment for any taxes payable by either party as a direct result of the transaction.

2.5.2 VALUER(S):

The Valuer on behalf of ValuStrat, with responsibility of this report is Mr. Ramez Al Medlaj (Taqeem Member) who has sufficient and current knowledge of the Saudi market and the skills and understanding to undertake the valuation competently.

We further confirm that either the Valuer or ValuStrat have no previous material connection or involvement with the subject of the valuation assignment apart from this same assignment undertaken.

2.5.3 STATUS OF VALUER

Status of Valuer	*Survey Date*	*Valuation Date*
External Valuer	30 December 2020	31 December 2020

2.6 EXTENT OF INVESTIGATION

In accordance with instructions received we have carried out an external and internal inspection of the property. The subject of this valuation assignment is to produce a valuation report and not a structural / building or building services survey, and hence structural survey and detailed investigation of the services are outside the scope of this assignment. We have not carried out any structural survey, nor tested any services, checked fittings of any parts of the property.

Our inspection was limited to the visual assessment of the exteriors of the subject property. For the purpose of our report, we have expressly assumed that the condition of any un-seen areas is commensurate with those which were seen. We reserve the right to amend our report should this prove not to be the case.

2.7 SOURCES OF INFORMATION

For the purpose of this report, it is assumed that written information provided to us by the Client is up to date, complete and correct in relation to title, planning consent and other relevant matters as set out in the report. Should this not be the case, we reserve the right to amend our valuation and report.

2.7.1 VALUATION ASSUMPTIONS / SPECIAL ASSUMPTIONS

This valuation assignment is undertaken on the following assumptions:

The subject property is valued under the assumption of property held on a *Private interest* with the benefit of trading potential of existing operational entity in possession;

Written information provided to us by the Client is up to date, complete and correct in relation to issues such as title, tenure, details of the operating entity, and other relevant matters that are set out in the report;

That no contaminative or potentially contaminative use has ever been carried out on the site; we assume no responsibility for matters legal in character, nor do we render any opinion as to the title of the property, which we assume to be good and free of any undisclosed onerous burdens, outgoings, restrictions or other encumbrances. Information regarding tenure and tenancy must be checked by your legal advisors;

This subject is a valuation report and not a structural/building survey, and hence a building and structural survey is outside the scope of the subject assignment. We have not carried out any structural survey, nor have we tested any services, checked fittings or any parts of the structures which are covered, exposed or inaccessible, and, therefore, such parts are assumed to be in good repair and condition and the services are assumed to be in full working order; we have not arranged for any investigation to be carried out to determine whether or not any deleterious or hazardous material have been used in the construction of the property, or have since been incorporated, and we are therefore unable to report that the property is free from risk in this respect. For the purpose of this valuation we have assumed that such investigations would not disclose the presence of any such material to any significant extent;

That, unless we have been informed otherwise, the property complies with all relevant statutory requirements (including, but not limited to, those of Fire Regulations, By-Laws, Health and Safety at work);

We have made no investigation, and are unable to give any assurances, on the combustibility risk of any cladding material that may have been used in construction of the subject building. We would recommend that the client makes their own enquiries in this regard; and the market value conclusion arrived at for the property reflect the full contract value and no account is taken of any liability to taxation on sale or of the costs involved in effecting the sale.

2.8 PRIVACY/LIMITATION ON DISCLOSURE OF VALUATION

This valuation is for the sole use of the named Client. This report is confidential to the Client, and that of their advisors, and we accept no responsibility whatsoever to any third party.

No responsibility is accepted to any third party who may use or rely upon the whole or any part of the contents of this report. It should be noted that any subsequent amendments or changes in any form thereto will only be notified to the Client to whom it is authorised.

2.9 DETAILS AND GENERAL DESCRIPTION

2.9.1 LOCATION & DESCRIPTION OF THE PROPERTY

The subject property, known as Salama Tower, is located along the west side of Al Madinah Al Munawarah Road within As Salamah District, Jeddah, Kingdom of Saudi Arabia.

It is situated about 350 meters north of Habitat Hotel, some 400 meters northwest of Holiday Inn Jeddah and approximately 550 meters southeast of Hera International Mall.

Moreover, Salama Tower is further located about 700 meters and 6.5 kilometers southwest of Jeddah International Exhibition Convention Center and King Abdul Aziz International Airport – New Terminal, respectively.

The property's immediate neighborhood is mainly commercial characterized by car showrooms and prominent hotel brands. It is well accessible via the fronting Al Madinah Al Munawarah Road, a main road in Jeddah linking the district to the City Center on the south and the King Abdul Aziz International Airport on the north.

For ease of reference, refer to the illustration on the below.

Source: Google Extract 2020 - For Illustrative Purposes Only

The illustration below further shows a closer view of the property including its neighborhood & environs.

Source: Google Extract 2020 - For Illustrative Purposes Only.

Salama Tower is an 18-level, commercial building built with reinforced concrete structure and glass curtain/aluminium cladding exterior wall finishes. It was reportedly constructed circa 1434H as per building permit provided to us (refer to copy in the appendices section). It has a total built-up area of 58,919.30 square meters and net leasable area of 29,921.33 square meters, as detailed below.

Details of Built-up Area (BUA)	
Floor level	*BUA (sq. m.)*
Basement	7,685.30
Ground Floor	4,777
Mezzanine	2,763
1st Floor	4,136
Services (Parking)	4,851
Services (Parking)	4,851
2nd Floor – 10th Floor	25,659
11th Floor	2,170
12th Floor	1,437
13th Floor	590
Total BUA (sq. m.)	58,919.30

Source: Client 2020

Details of Net Leasable Area (NLA)	
Unit Type	*NLA (sq. m.)*
Cafeteria	9.00
Mosque	*200.00
Office	22,045.89
Showroom	5,710.44
Vacant	1,956.00
Total NLA (sq. m.)	*29,721.33

Source: Client 2020; Mosque is not part of the income generating assets which has been excluded from the NLA.

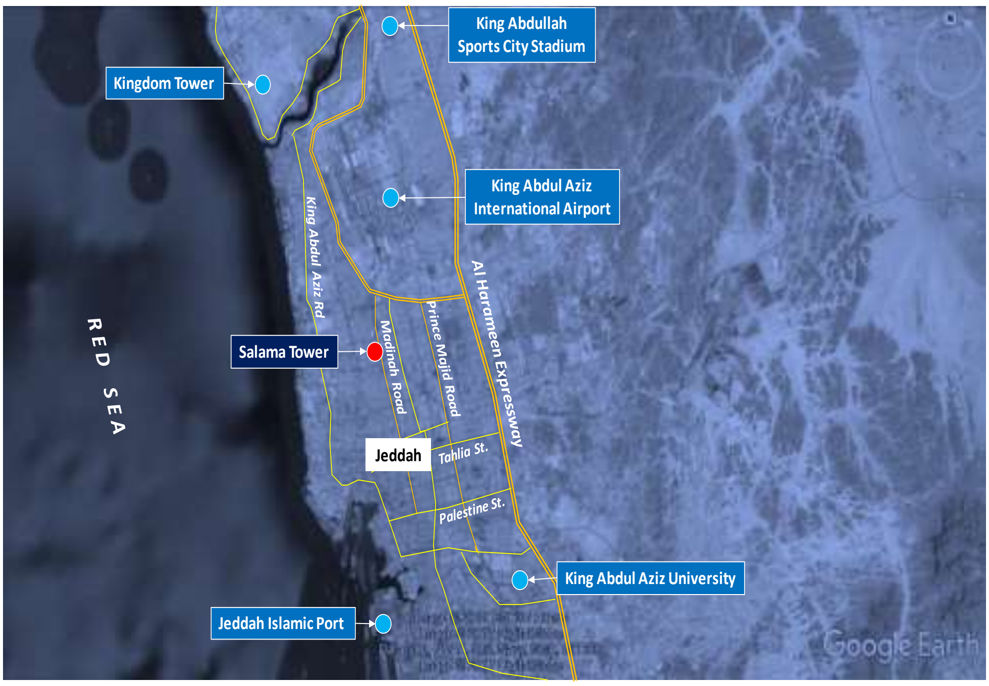
2.9.2 PROXIMITY TO MAJOR DEVELOPMENTS

The subject property is situated in a mainly commercial area due to its frontage along a main road and its proximity to the King Abdul Aziz International Airport, the main gateway via air transportation to the western region of the Kingdom which provides access to the Islam's two holiest cities of Makkah and Madinah. The fronting Al Madinah Al Munawarah Road provides excellent accessibility for the subject property which traverses the main districts of Jeddah and links the property to important destinations in the City. The nearby Hera Street also provides access to the Corniche Area/Red Sea shores.

The table below shows the distance of the subject property to major development:

Landmark	*Approx. Distance from the Property (km)*
Red Sea shoreline	5
King Abdul Aziz International Airport	6.5
Al Haramain Expressway	6.5
Kingdom Tower	15.5
Jeddah Islamic seaport	15.5
King Abdul Aziz University	16
King Abdullah Sports Stadium	17

For ease of reference, refer to the illustration below.



Source: Google Extract 2020 - For Illustrative Purposes Only.

Jeddah City is the second largest city of Saudi Arabia, next to the capital city of Riyadh. It has the largest seaport along Red Sea and is considered an important commercial hub. Some of the major developments in the city and the Makkah region are as follows:

<u>Haramain High Speed Railway</u>

The Haramain High Speed Railway has improved the infrastructure and accessibility within the three main cities of Makkah Region (Jeddah, Madinah & Makkah).

The Haramain High Speed Rail project also known as the "Western Railway" or "Makkah-Medina high speed railway", is 453.0 kilometers (281.5 miles) high-speed inter-city rail transport system opened to the public back in October 2018. It links the Muslim holy cities of Medina and Mecca via King Abdullah Economic City, Rabigh, Jeddah, and King Abdulaziz International Airport. It connects with the national network at Jeddah.

The rail line provides a safe and comfortable transport in 300 kilometers per hour (190 mph) electric trains. The railway carries three million passengers a year, including many Hajj and Umrah pilgrims, helping to relieve traffic congestion on the roads. It allows 9,000 passengers per hour and shortening the travel time from Madinah to Makkah to two hours. The main station is in Al Rusaifah District with arrival and departure halls, commercial stalls, prayer room, parking space, car rental offices, public sector services and offices, and restaurants.

<u>Jeddah Economic City</u>

Previously known as Kingdom City, this project covers 5.3 million square meters of land along the red sea. It will host both commercial and residential developments including villas, apartments, hotels and offices.

The centerpiece of this development is the Jeddah Kingdom Tower which is planned to be the tallest building in the world upon completion. The project is estimated to cost SAR 75 Billion and scheduled completion date is around 2023.

<u>King Abdul Aziz International Airport expansion</u>

The airport expansion is needed as Saudi Arabia seeks to meet demand from religious tourism to the holy city of Mecca. Approximately 2.5 million people visit Mecca during the Hajj period alone, and this is projected to rise to 4 million in the next few years. It is designed to increase the airport's yearly capacity from 13 million to 80 million passengers.

Expansion includes a 670,000 square meters passenger terminal complex with a twin crescent footprint. It will include 46 contact gates, 94 boarding bridges, lounges, an airside hotel, food and retail facilities. The terminal will be able to handle double-deck A380 and include a baggage handling system with nearly 60 kilometers of belts. Automated People Movers will link the new terminal with other facilities of the airport.

2.10 ENVIRONMENT MATTERS

We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination. In undertaking our work, we have been instructed to assume that no contaminative or potentially contaminative use has ever been carried out on the property.

We have not carried out any investigation into past or present use, either of the property or of any neighbouring land, to establish whether there is any contamination or potential for contamination to the subject property from the use or site and have therefore assumed that none exists. However, should it be established subsequently that contamination exists at the property or on any neighbouring land, or that the premises has been or is being put to any contaminative use, this might reduce the value now reported.

Details	
Area	Based on the document supplied by the client, the land area of the subject property is 7,682 sq. m. with a total built-up area of 58,919.30 sq. m.
Topography	Generally, the property is rectangular shaped and on level terrain
Drainage	Assumed available and connected.
Flooding	ValuStrat's verbal inquiries with local authorities were unable to confirm whether flooding is a point of concern at the subject property. For the purposes of this valuation, ValuStrat has assumed that the subject property is not flood prone. A formal written submission will be required for any further investigation which is outside of this report's scope of work. Note: It is understood that there is no known flooding in the area.
Landslip	ValuStrat's' verbal inquiries with local authorities were unable to confirm whether land slip is a point of concern at the subject property. For the purposes of this valuation, ValuStrat has assumed that the subject property is not within a landslip designated area. A formal written submission will be required for any further investigation which is outside of this report's scope of work.

2.10.1 TOWN PLANNING

Neither from our knowledge nor as a result of our inspection are, we aware of any planning proposals which are likely to directly adversely affect this property.

In the absence of any information to the contrary, it is assumed that the existing use is lawful, has valid planning consent and the planning consent is not personal to the existing occupiers and there are no particular onerous or adverse conditions which would affect our valuation.

In arriving at our valuation, it has been assumed that each and every building enjoys permanent planning consent for their existing use or enjoys, or would be entitled to enjoy, the benefit of a "Lawful Development" Certificate under the Town & Country Planning Acts, or where it is reasonable to make such an assumption with continuing user rights for their existing use purposes, subject to specific comments. We are not aware of any potential development or change of use of the property or properties in the locality which would materially affect our valuation.

For the purpose of this valuation, we have assumed that all necessary consents have been obtained for the subject property referred within this report. Should this not be the case, we reserve the right to amend our valuation and report.

2.10.2 SERVICES

The property referred within this report is assumed connected to mains electricity, water, drainage, and other municipality services.

2.11 TENURE/TITLE

Unless otherwise stated we have assumed the freehold title is free from encumbrances and that Solicitors' local searches and usual enquiries would not reveal the existence of statutory notices or other matters which would materially affect our valuation.

We are unaware of any rights of way, easements or restrictive covenants which affect the property; however, we would recommend that the solicitors investigate the title in order to ensure this is correct. The valuation assumes that the freehold title should confirm arrangements for future management of the building and maintenance provisions are adequate, and no onerous obligations affecting the valuation. This should be confirmed by your legal advisers.

The subject property was registered under the below-mentioned title deed (refer to copy in the appendices section) which we assumed is on a freehold basis. Should this not be the case we reserve the right to amend our valuation and this report.

Description	*Property Details*
Property Name	Salama Tower
Title Deed No.	320212024018
Title Deed Date	3/12/1440 Hijri
Land Area (sq. m.)	7,682
Owner	Sandouq Tamkeen Real Estate Company
Location	As Salamah District, Jeddah, KSA
Interest Valued	Freehold

Source: Client 2020

NB: All aspects of tenure/title should be checked by the client's legal representatives prior to transaction completion and insofar as any assumption made within the body of this report is proved to be incorrect then the matter should be referred back to the valuer in order to ensure the valuation is not adversely affected.

2.12 METHODOLOGY & APPROACH

In determining our opinion of Market Value for the freehold interest in the subject property, we have utilized the Discounted Cash Flow (DCF) based on 10-Year horizon with sale and leaseback agreement as mentioned by the Client.

2.12.1 DISCOUNTED CASH FLOW (DCF) APPROACH

The subject property falls into a broad category of investment property with the prime value determinant being the properties ability to generate rentals and rental growth through the ongoing letting and reasonable maintenance.

In determining our opinion of Market Value of the subject property referred in this report, we have utilized the Investment Approach in specific, adopting a Discounted Cash Flow (DCF) technique.

The DCF approach involves the discounting of the net cash flow (future income receivable under lease agreements and forecast take-up of vacant units) on a yearly basis over, in this instance, an assumed 10-year cash flow horizon.

This cash flow is discounted at an appropriate rate to reflect the associated risk premium, in order to determine a Net Present Value of the subject property at that particular Internal Rate of Return (IRR) and exit equivalent yield.

The projected income stream reflects the anticipated rental growth inherent in a property investment based upon the physical, tenancy or market characteristics related to that property. In addition to projected operating costs and allowances, future capital expenditure can also be reflected in the cash flow.

Cash inflows comprise income from the property adjusted to reflect actual and assumed lease conditions and rental growth, whilst cash outflows comprise operating costs adjusted to reflect anticipated inflation.

The rental income being capitalised and discounted in the cash flow refers to net rental income, that is, the income stream after deductions for the associated operating expenses of the property as provided by the Client.

2.12.2 MARKET RENTS, VALUATION ASSUMPTIONS & COMMENTARY

Sales or rental evidence for similar properties within Jeddah are not readily available or transparent due to the nature of the property market within the Kingdom of Saudi Arabia.

Much if not all of the evidence is anecdotal, and this limitation may place on the non-reliability of such information and impact on values reported.

In forming our opinion of Market Rent for the subject property, we have looked at the following market rental rates of some similar commercial buildings within Jeddah.

			
Details	**Khalidiyah Business Center**	**Rawdah Business Center**	**Omnia Center**
Type	Office/Commercial	Office/Commercial	Office/Commercial
Location	Khalidiyah District	Rawdah District	Rawdah District
Retail Space Area (m²)	530 - 600	770 - 1,046	217 - 504
Retail Rental Rate per m²	SAR 1,100 - SAR 1,420	SAR 1,350 - SAR 1,500	SAR 1,200 - SAR 1,400
Office Space Area (m²)	142 - 198	270 - 1,100	133 - 320
Office Rental Rate per m²	SAR 700 - SAR 1,020	SAR 600 - SAR 950	SAR 900 - SAR 1,100

			
Details	**Nojoud Center**	**Marwah Plaza**	**Unnamed Building**
Type	Office/Commercial	Strip Mall	Office
Location	Tahlia Street	Al Marwah District	Al Madinah Rd., As Slalamah
Retail Space Area (m²)	136 - 1,623	29 - 265	-
Retail Rental Rate per m²	SAR 2,250 - SAR 5,100	SAR 700 - SAR 2,000	-
Office Space Area (m²)	105 - 4,225	57 - 304	227
Office Rental Rate per m²	SAR 400 - SAR 1,100	SAR 650 - SAR 900	SAR 650

We have assumed that all lessees are in a position to renew on their forthcoming renewals process. For the purpose of this valuation, we have explicitly assumed that the tenancy schedule provided is accurate and actual.

Should this not be the case, we reserve the right to amend our valuation and this report. We have also further assumed that the rental rates are within the prevailing market rate of commercial and office spaces within Jeddah.

It appears the current head lease rental income of SAR 23,100,000 per annum equates to SAR 777 per sq. m which is within prevailing market benchmarks.

2.12.3 DISCOUNTED CASH FLOW APPROACH

In determining our opinion of Market Value of the subject property, we have utilized the Investment Approach utilizing a Discounted Cash Flow technique.

The subject property falls into a broad category of investment property with the prime value determinant being the properties ability to generate rentals and rental growth through the ongoing letting and reasonable maintenance.

Discounting Cash Flow analysis is defined in the International Valuation Standards as a financial modelling technique based on explicit assumptions regarding the prospective cash flow of the property.

This analysis involves the projection of a series of periodic cash flows a property is anticipated to generate, additionally giving regard to the frequency and timing of associated development costs, contingency allowances etc.

To this projected cash flow series, an appropriate discount rate is applied to establish an indication of the present value of the income stream associated with the property.

The DCF approach involves the discounting of the projected net cash flow on a yearly basis over the explicit cash flow period. In the case of the subject property, the cash flow has been projected over a 10-year period based on the sale and lease back agreement mentioned by the client. The cash flow is discounted back to the date of valuation at an appropriate rate to reflect risk in order to determine the Market Value of the property. The rental income being capitalised and discounted in the cash flow refers to net rental income, that is, the income stream. A contractual agreed growth rate of a fixed rental income per annum has been agreed for the lease and has reflected with a growth rate within the DCF calculations.

The future values quoted for property, rents and costs are projections only formed on the basis of information currently available to us and are not representations of what the value of the property will be as at a future date.

2.12.4 ASSUMPTIONS & COMMENTARY

As mentioned above, the client has requested to provide an alternative valuation assessment for the subject property taking into consideration the 5-year sale and leaseback agreement with a net annual rent of SAR 23,100,000 per annum on the head lease with 3.5 years remainder on the head lease. Thereafter the subject property is assumed on a full rental value basis. We have likewise made the following additional assumptions:

1. the aforementioned sale and leaseback agreement contain no onerous terms and conditions.
2. We understand the head lease is for 5 years with a fixed income with no escalations and may not be renewed. We have also assumed the head lease is signed. Should this not be the case, we reserve the right to amend our valuation and report.
3. We assume should the head lease not be renewed the subject will occupied on a multi-let operational contract basis consisting of market rentals. We have assumed a full market rental on the basis information provided on the units, sizes and current tenant occupation along allowing for 2-5% vacancy factor. The passing rent in the fourth year has been forecasted at SAR 25,300,000 per annum with a 2.5% growth year on year.

4. As mentioned, we have considered the DCF approach taking into consideration the 5-year lease contract with 3.5 years remaining, although we have assumed at the end of the term, the lease will not be renewed and have considered a market-based rent on a multi-let basis reflecting an operational cost, service charges and voids.

   The operational cost for the remainder of 3.5 years on the head lease is the obligation of the lessee. Thereafter we understand from the client the multi-let operational tenancies have a built in 10% service charge clause obligations for the maintenance and upkeep of the building.

   Although, we have reflected a modest operational cost from year 4 of 0.4% for initial marketing only and void cost of 3%. The void cost period allows for the time, required to find new occupiers and for a rent-free period. For office tenants this will provide period to fit out or in some cases with modest upgrade in a short period allow them commence operation.

5. We have been informed by the client there is rent due in the last 6 months of SAR 11,550,000 which has been factored in our cash flow. Assumed to be correct and accurate.

6. In the short term it is difficult to assess the impact over the COVID-19 pandemic and the KSA lockdown should both the health crisis persist affecting the economy it is likely the market rates/prices will be affected later this year.

   The client is also recommended to consider the benefits in such a market, of having more frequent valuations to monitor the value of the subject property.

7. Whilst the KSA lockdown period has taken place due to the COVID-19 pandemic, many businesses were affected due to the closure; we assume all rentals, lease(s) and landlord & tenant information provided by the client is correct and accurate. Should this not be the case, we reserve the right to amend our valuation and report.

8. We have been made aware there is no rent arrears (debt) and all tenants are up to date with rental obligations. Should this not be the case, we reserve the right to amend our valuation and report.

9. Occupancy rates and rents at newly completed property or new acquisitions may fluctuate depending on a number of factors, including market and economic conditions resulting in the investment not being profitable.

10. KSA's oil production and business are a major contributor to Saudi income and strong economic conditions. Therefore, any major fluctuations in oil prices can have a similar effect on the local economy impacting commercial investments and the overall long-term development of the economy in volatile and uncertain times.

11. The growth of the economy is also subject to numerous other external factors, including continuing population growth, increased direct and foreign investment in the local economy and Government and private sector investment in infrastructure, all of which could have a significant impact on the economy and business profitability.

12. It should be noted that the valuation provided is of the property (excluding any element of value attributable to furnishings, removable fittings and sales incentives) as new. It is possible that the valuation figure may not be subsequently attainable on a resale as a' second-hand villa especially if comparable new property is on offer at the same time.

13. As regards property, which are retained, or to retain an ownership interest in, such competition may affect the ability to attract and retain tenants and reduce the rents impacting the property/investment.

14. Any retained or owned property will face competing property/development leading to high vacancy rates resulting in lower rental rates. It is imperative for leasing obligations to be preserved and to keep-up high standard of landlord & tenant (property management) relationship and so it will necessitate that the property be maintained to a good standard to maintain its value.

15. The subject portfolio referred in this report is considered as full figure(s) and may not be easily achievable in the event of an early re-sale in the short term due to volatile and uncertain times. Refer to our market conditions section below.

16. Property values are subject to fluctuation over time as market conditions may change.

17. We have assumed that the land is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings and good title can be shown. For the avoidance of doubt, these items should be ascertained by the client's legal representatives.

In this instance, we have adopted the following rates:

Components	*Details*
Net Annual Rent (sale & leaseback contract)	SAR 23,100,000 per annum
Net Leasable Area (sq. m)	29,721.33
Operational Cost	The responsibility of the lessee for the remainder of the head lease and thereafter operational cost and service charge obligation. Refer to above commentary at 2.12.4-point 6.
Growth Rate (%)	No escalation

<u>Operational Cost</u>

Based on the sale & leaseback agreement, we understand the operational cost is the responsibility of the Lessee; however, insurance is taken by the lessor which is currently at 156,132 per annum.

We have assumed that in the 4th year of cash flow an operational cost will apply and a 3% void considering the head lease may not be renewed and the subject will be leased on the basis market rentals reflecting multi-tenant basis. Refer to commentary above at 2.12.4 point 6.

<u>Discount Rate and Exit Yield</u>

The discount rate reflects the return required to mitigate the risk associated with the particular investment type in question; therefore, echoes the opportunity cost of capital.

To this we have to add elements of market risk and property specific risk. The market risk comes in the form of; inter alia, potential competition from existing and latent supply.

Market risk will also reflect where we are in the property cycle and more importantly the location. The subject property is fairly new commercial building and situated along Madinah Road, one of the main thoroughfares in Jeddah. <u>Hence, we have adopted a discount rate of 11.5%.</u>

The exit yield is a resultant extracted from transactional evidence in the market; however, due to anecdotal evidence and limited market activity we have had to rely on anticipated investor expectations from typical property investments.

These typically vary between 8% to 10%, depending on the quality of the property, length and condition of the lease, the lessee's reputation and the location of the property.

<u>Based on the above criteria we are of the opinion that a fair exit yield for the subject property is 9%.</u>

2.12.5 SUMMARY OF MARKET VALUE - DCF

The resultant value based upon the above variables/assumptions for the subject property is follows:

Property Name	Passing Income	Exit Yield	Discount Rate	Property Value [Rounded]
Salama Tower	23,100,000 p.a.	9%	11.5%	SAR 258,400,000

2.12.6 INVESTMENT YIELD AND DISCOUNT RATE(S)

Despite the continuance of subdued conditions, the KSA real estate investment market remains resilient in times of global uncertainty, protectionism, technology innovation disruption and regional volatility. The divergence between prime yields and secondary continues to widen, reflecting the fact that investors are willing to pay a premium for assets seen as lower risk, in core locations along with strong covenants/tenants/branding. Whilst there remains a lack of transactional evidence in the KSA market and the lack of good quality income generating assets across the KSA market; however, strong investor appetite remains for 'Best in Class' / 'Institutional Asset Class – Grade A' / good quality property providing long term income. The historic strength of asset classes and significant growth in the past few years has meant fairly attractive yields and with the continuance of current stable demand but slower growth. Investors are also no less sensitive to asset classes i.e. office, retail, residential, industrial and the location of property providing investor expectations and stable long-term income for portfolios and funds.

The foreseeable future the subject property(s) referred in this report appear to provide stable investment subject to ongoing maintenance, upkeep of the property and provided that yield stability remains with the real estate sector generally following the fortunes of the greater economy and while the oil reserves are currently fairly strong, then the economy remains stable and backed-by strong fundamentals of the KSA market (i.e. young growing population) and also the economic transformation plan transforming the Kingdom towards a service economy post-oil era. General consensus anticipates a strident improvement in the Saudi economy in the period ahead (vison 2020 and vision 2030), supported by both the oil and non-oil sectors.

Accordingly, we can provide investment yield performance indicator in current market conditions as follows:

Transaction Type	Investment Yield (%)
Major Cities & Core Location(s)	7% - 8.5%
Best in Class / Institutional Asset Class – Grade A	7% - 8.5%
Good Quality Income Generating Asset	7% - 8.5%
Strong Covenants / Leases / Tenants / Strong Brands	7% - 8.5%
Secondary / Tertiary Location & Grade	8.5% - 11%

2.13 VALUATION

2.13.1 MARKET VALUE

ValuStrat is of the opinion that the Market Value of the freehold interest in the subject property referred within this report, as of the date of valuation, based upon the Discounted Cash Flow (DCF) Approach and assumptions expressed within this report, may be fairly stated as follows;

Market Value (rounded and subject to details in the full report):

SAR 258,400,000 (Two Hundred Fifty-Eight Million Four Hundred Thousand, Saudi Riyals)

The client is advised that whilst all reasonable measures have been taken to supply an accurate valuation as possible as at the Valuation date, this figure should be considered in the context of the volatility of today's marketplace.

We are currently experiencing a very uncertain property market and due to the reduced level of transactions, there is an acute shortage of comparable evidence upon which to base valuations. Due to this shortage, it may be necessary at times for a Valuer to draw upon evidence which is of a historical nature.'

The valuation assumes that the freehold title should confirm arrangements for future management of the building and maintenance provisions are adequate, and no onerous obligations affecting the valuation. This should be confirmed by your legal advisers.

The value provided in this report is at the top end of the range for properties of this location and character and will necessitate that the property be maintained to a good standard to maintain its value.

2.14 MARKET CONDITIONS SNAPSHOT

2.14.1 MARKET ASSESSMENT, TIMES OF UNCERTAINTY (COVID-19 PANDEMIC) & VALUATION COMMENTARY OVERVIEW

At a time of unprecedented trial over the Coronavirus COVID-19 and the global spread of the virus, it has meant a significant impact on global financial markets as geographies experience continued spread and increase of pandemic cases. This has meant a global shutdown/lockdown of economies with most sectors affected.

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organization (WHO) as a "Global Pandemic" on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries across the globe. Market activity is being impacted in many sectors.

Prior to the global rapid spread of the virus and the announcement by the KSA authorities of an initial indefinite lockdown, the KSA real estate market was in a healthy position with many analysts predicting a strong 2020 for real estate (vision 2020) with the positive activity and investment by the government unveiling a number of reforms, including recent facilitation of the tourism visa, where citizens of 49 countries are now able to apply e-visas and holders of Schengen, UK or US visas are eligible for visas on arrival.

Also the government has now allowed the full foreign ownership of retail and wholesale operations along with previously opening up of the Tadawul Stock Market to foreign investment supported by current energy reforms, cutting subsidies, creating jobs, privatising state-controlled assets and increasing private sector contribution to the country's economy, etc. With all the opportunities throughout the Kingdom and the creation of the Giga projects, there was an ambitious resilience which was suddenly shutdown overnight due to the initial lockdown period. Presently the whole of the KSA is on a 24-hour lockdown given that Coronavirus cases have passed 39,000 (thirty-nine thousand). With all the current uncertainty, market stagnation and short-term challenges whereby force majeure (as a result of the pandemic's cause beyond anyone's reasonable control) has created inactivity in the real estate market with the market currently at a standstill.

Given as mentioned above the KSA market's ambitions and resilience, we understand investor sentiment remains strong as it was prior to the virus pandemic and the KSA was on an upward course showing growth in the last quarter of 2019 after a period of subdued market conditions.

The current global crushing of liquidity in economies will have impact on markets and real estate market and this maybe the case with many economies across the globe; however, the KSA market has shown resilience in previous years through a period of downward trend (2016-18), a correction allowing for the market to bottom out with 2019 experiencing growth in the first quarter and subdued market conditions throughout 2019. The latter part of Q4 – 2019 saw positive growth with strong investor appetite, though the market lacking good quality stock. Now with the Saudi government confirming a stimulus package of SAR 120 billion, we understand the market will bounce back with investors underlying strong appetite. This will delay any evidence in the short term of declining prices and with the government stimulus will assist any short-term losses on transactions, private and public funds, although will need to be sustained in the short-term.

The KSA real estate sector generally follows the fortunes of the greater economy and while the oil reserves were left off prior to the pandemic fairly strong, although currently a price war between major producers is adding to a growing supply glut, though this will help KSA once markets start normalizing again. The KSA economy remains stable and backed-by strong fundamentals of the KSA market (i.e. young growing population) and also the economic transformation plan transforming the Kingdom towards a service economy post-oil era.

In short, the pandemic is expected to be a short-term shock wave with an eventual surge of business activity leading to a rapid recovery either in the form of a "V-shape" or a more gradual recovery in the form of a "U-shape" bounce back. Accordingly, we expect the KSA market to surge in business once the lockdown is lifted allowing for markets to start flourishing towards long term sustainability in social trends and patterns along with socio-economic distancing in a growing cycle. On the other hand, should the global economic impact of the Coronavirus pandemic (COVID-19) outbreak depends on how long the virus lasts, how far it spreads and how much lock-down, public organizations quarantines disrupt the market.

Indeed, the current response to COVID-19 means that we are faced with unprecedented set of circumstances on which to base judgement(s). There is strong evidence that real estate markets spring back to strong activity and growth fairly quickly. Equally, the short-term generally speaking we do not expect the current real estate market to show any small adjustment in prices/rates due to non-activity or a market standstill especially prior the market was on an upward trend. The KSA real estate market is a developing market with much invested by the government in infrastructure projects, so we expect the government's latest stimulus to preserve liquidity and for demand to hold having limited / no bearing on prices / rates.

However, should the pandemic persist throughout the 2021, we do expect adjustment later on in 2021

Our valuation(s) is / are therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case.

Given the unknown future impact that COVID-19 might have on the real estate market, we recommend that you keep the valuation of the subject property referred in this report under frequent review.

2.14.2 MARKET CONDITIONS PRIOR TO THE PANDEMIC & THE KSA LOCKDOWN

The Kingdom of Saudi Arabia (KSA) - world's largest exporter of crude oil, embarked four years (2016) ago on an ambitious economic transformation plan, "Saudi Arabia Vision 2030". In a hope to reduce its reliance on revenue from hydrocarbons, given the plummeting oil price revenues from 2014. Through the current vision and in a post oil economy, KSA is adapting to times of both austerity measures and a grand ambitious strategy. With an overdue diversification plan Saudi Arabia's economic remodelling is about fiscal sustainability to become a non-dependent nation of oil. This is supported by current energy reforms, cutting subsidies, creating jobs, privatising state-controlled assets and increasing private sector contribution to the country's economy.

Despite economic headwinds, across the region, KSA has shown resilience through a period of subdued real estate market activity. The real estate sector generally follows the fortunes of the greater economy and whilst Saudi Arabia is undergoing structural reforms politically, economically and socially will transform the Kingdom towards a service economy post-oil era. These changes along with significant amounts of investment - estimated to soon be over 1 trillion US dollars will create vast amounts of opportunities for the public and private sectors across all businesses segments.

The KSA economy in the first quarter of 2019 has relied on the current oil price rise to pull it out of recession; however, the previous 18-24 months, KSA faced a protracted spell of economic stress, much of which can be attributed to the falling oil prices coupled with regional political issues. Oil prices are starting to surge again around 80 dollars a barrel currently from under 30 dollars a barrel in early in 2016 which resulted in a crash in prices and the economy dipped into negative territory in 2017 for the first time since 2009, a year after the global financial crisis.

General consensus anticipates a piercing improvement in the Saudi economy in the period ahead (2021-2022), supported by both the oil and non-oil sector. So ultimately it appears the economy will still need to rely on oil revenues to bridge the gap in the short term with a budget deficit over the past 3 years and the Kingdom borrowing from domestic and international markets along with hiking fuel and energy prices to finance the shortfall. The economy slipped into recession in 2018 but returned to growth this year 2019, albeit at the fairly modest level of 1.7%, according to estimates from the International Monetary Fund (IMF). However, the return to growth is mainly due to a return to increase in oil prices again and output which, in turn, is enabling an increase in government spending. Accordingly, in the short term needs to rely on the oil revenue and this reliance is being channelled into public spending. The non-oil economy is growing, but at a slow place. Analysts are forecasting non-oil GDP to grow by 1.4% this year, compared to 1% in 2017. Even here, the non-government sector is coping relatively poorly. Analysts are forecasting non-oil private sector growth of 1.1%, this year, up from 0.7% last year. The reforms that have been pushed through to date have led to important changes aiding the economy. The opening up of the entertainment industry will create jobs for young locals and women driving makes it easier for millions more people to enter the workforce. Reforms to the financial markets have led indexing firms to bring the Saudi Stock Market (Tadawul) into the mainstream of the emerging markets universe which now assists to draw in many billions of investment dollars. A due enactment of law will encourage public-private partnerships to herald more foreign investment. The economic transformation that the KSA has embarked upon is complex and multidimensional and will certainly take time to turn around a non-oil serviced economy, although there have been recent positive signs, but it will remain in the short term with the support of oil revenues.

On the other hand, the KSA was resilient in the previous recession in 2007/2008 on strong oil reserves and not only can the Saudi government be relied upon to step in to rescue troubled lenders, reliable institutions for procedural reasons but crucially, it can also afford to do so, although has suffered due to previous oil price declines and it has meant increased spending. Vision 2030 to diversify the economy from reliance on oil, has only just commenced and with a young and increasingly well-educated population, together with its own sovereign wealth fund, the Kingdom has many favourable factors to become a leading service sector economy in the region. Reform efforts include a reduction of subsidies on fuel and electricity and the implementation of a 5 per cent VAT back on 01 January 2018 which has increased to 15% VAT as of 01 July 2020. The government is also striving to get women to play a greater role in the economy including allowing them to drive back in 2019. Wider reforms have been initiated by the government allowing for the entertainment industry to flourish with the opening of the first cinema in King Abdullah Financial District (KAFD) along with 4 VOX screens opening at Riyadh Park Mall. The cinema entertainment is spurred on by Public Investment Fund (PIF) in collaboration with AMC Cinemas and led by the Development and Investment Entertainment Company (DIEC), a wholly owned subsidiary of PIF. With an objective of 30 to 40 cinemas in approximately 15 cities in Saudi Arabia over the next five years, and 50 to 100 cinemas in about 25 Saudi cities by 2030. As part of wider reforms to overhaul the economy and to allow for deep rooted diversification, the PIF have initiated plans to bolster the entertainment industry by forming ambitious plans such as the following:

Red Sea Tourism Project

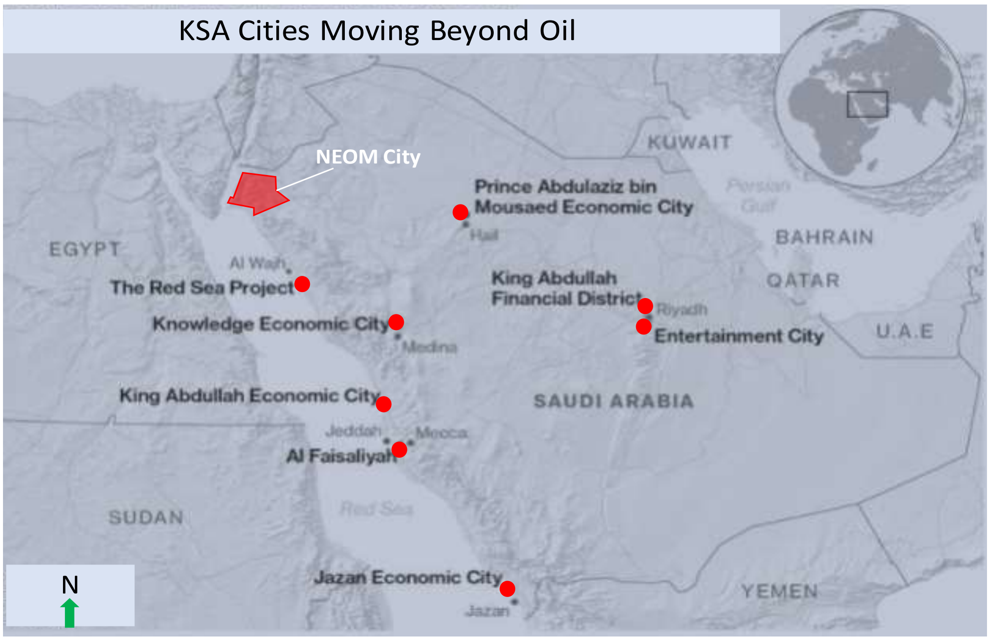
To transform 50 islands consisting of 28,000 square kilometres along the Red Sea coastline into a global tourism destination. For ease of reference to illustration below showing the location in relation to the Kingdom of Saudi Arabia.

Al Faisaliyah Project

The project will consist of 2,450 square kilometres of residential units, entertainment facilities, an airport and a seaport. Refer to the below illustration for the location.

Qiddiya Entertainment City

Qiddiya Entertainment City will be a key project within the Kingdom's entertainment sector located 40 kilometres away from the center of Riyadh. Currently alleged for "The First Six Flags-branded theme park". The 334 square kilometre entertainment city will include a Safari park too. The project will be mixed use facility with parks, adventure, sports, events and wild-life activities in addition to shopping malls, restaurants and hotels. The project will also consist around 4,000 vacation houses to be built by 2025 and up to 11,000 units by 2030. Again, for ease of reference refer to the below illustration for the location.



Neom City

The NEOM city project will operate independently from the "existing governmental framework" backed by Saudi government along with local and international investors.

The project will be part of a 'new generation of cities' powered by clean energy. The ambitious plan includes a bridge spanning the Red Sea, connecting the proposed city to Egypt and stretch into Jordan too.

Economic Cities

The overall progress with the Economic Cities has been slow and projects on hold over the past 7-10 years, although KAFD has recently given the go ahead to complete by 2020. Within the Saudi Vision 2030 the governed referenced that they will work to “salvage” and “revamp”.

Real Estate Growth

Overall ValuStrat research reveals that real estate sectors have continued to decline in both sales and rental values. We expect demand to remain stable due to fundamentals of a growing young population, reducing family size, increasing middle-class and a sizeable affluent population – all of which keeps the long-term growth potential intact. Despite short term challenges, both investors and buyers remaining cautious, the Saudi economy has shown signs of ambition with the government unveiling a number of reforms, including full foreign ownership of retail and wholesale operations along with opening up of the Tadawul Stock Market to foreign investment as well as the reforms mentioned in the previous section referred above. As mentioned earlier, KSA experienced positive growth by oil price rise in the first quarter of 2019; hence the main driver of the recovery remains oil. Over 2020 we envisage the Kingdom’s consumer outlook to be more favorable in economic conditions.

Moreover, tax on development land implemented in 2017/18 has kept the construction sector afloat, encouraging real estate developers. Adapting to a new KSA economic reality has been inevitable, although the Kingdom’s oil dynamics remain pivotal for future development within the KSA 2030 economic vision plan. In latter part of 2017, the Public Investment Fund (PIF), Saudi Arabia’s sovereign wealth fund set up a real estate refinancing company aimed at advancing home ownership in the Kingdom, which suffers from a shortage of affordable housing. This initiative will create stability and growth in the Kingdom’s housing sector by injecting liquidity and capital into the market. Another plan to help kick start the real estate market by boosting the contribution of real estate finance to the non-oil GDP part.

The real estate sector has played an increasingly important role in the Saudi Arabian economy. Growing demand across all sectors combined with a generally limited supply has forced real estate prices to accelerate over the past (2008-2016).

The close ties with the construction, financing institutions and many others have provided crucial resources that contributed to the development of the Saudi economy. The real estate market performance in 2019 and the general trend in KSA for most sectors have remained subdued given lower activity levels, while prices have been under pressure across most asset classes leading to a gradual softening of rental and sale prices. The real estate sector remains subdued and prices may have bottomed out across sectors and we expect in the medium to long term for the market to pick-up further growth given the reforms and transformation in KSA, although we expect the growth to be slow and steady subject to a stable political environment in KSA and across the region. The outlook remains optimistic for the longer term due to the various KSA initiatives aimed at stimulating the real estate market whilst encouraging the private sector to play a key role in the transformation.

All in all, market volatility remains currently, and prices are likely to witness further deterioration in the short term. A watching brief should be kept on the economy, although we expect the economy to gather some pace later in 2021.

Property values are subject to fluctuation over time as market conditions may change. Valuation considered full figure and may not be easily achievable in the event of an early re-sale. It must be borne in mind that both rental and capital values can fall as well as rise.

2.15 VALUATION UNCERTAINTY

This valuation has been undertaken against a background of significant levels of Market volatility is one of the main reasons of Valuation uncertainty in the real estate market in the Kingdom and within the GCC region given the dramatic changes in markets in current oil price slump and other factors too.

We are currently experiencing a very uncertain property market and due to the reduced level of transactions, there is an acute shortage of comparable evidence upon which to base valuations. Given the current uncertainties it may be necessary at times for a Valuer to draw upon evidence which is of a historical nature.

The current shortage of transaction, combined with a rapidly changing market only serves to highlight the unpredictability of the current market, which is subject to change on a day by day basis.

The RICS valuation standards consider it essential to draw attention to foreseen valuation uncertainties that could have a material effect on valuations, and further advises to indicate the cause of the uncertainty and the degree to which this is reflected in reported valuations.

We further state that given the valuation uncertainty stated above our valuation represents our impartial calculated opinion / judgement of the properties, based on relevant market data and perceptions as at the date of valuation.

The client is advised that whilst all reasonable measures have been taken to supply as accurate a valuation as possible as at the Valuation date, this figure should be considered in the context of the volatility of today's marketplace

The client is also recommended to consider the benefits in such a market, of having more frequent valuations to monitor the value of the subject property.

2.16 DISCLAIMER

In undertaking and executing this assignment, an extreme care and precaution has been exercised.

This report is based on information provided by the Client. Values will differ or vary periodically due to various unforeseen factors beyond our control such as supply and demand, inflation, local policies and tariffs, poor maintenance, variation in costs of various inputs, etc.

It is beyond the scope of our services to ensure the consistency in values due to changing scenarios.

2.17 CONCLUSION

This report is compiled based on the information received to the best of our belief, knowledge and understanding.

The information revealed in these reports is strictly confidential and issued for the consideration of the Client.

No part of this report may be reproduced either electronically or otherwise for further distribution without our prior and written consent.

We trust that this report and valuation fulfils the requirement of your instruction. This report is issued without any prejudice and personal liability.

For and on Behalf of, ***ValuStrat,***

مكتب خبير التثمين العقاري
س.ت : ٤٠٣٠١٧٩٤٢٩

Mr. Ramez Al Medlaj (Taqeem Member No. 1210000320) Senior Associate – Real Est	Mr. Yousuf Siddiki (Taqeem Member No. 1210001039) Director - Real Estate,

APPENDIX 1 - PHOTOGRAPHS






APPENDIX 2 – COPY OF BUILDING PERMIT

أمانة محافظة جدة

الإدارة المركزية لرخص البناء

رخصة بناء مفعلة

٢٠٠٠١٨٤٢٤

الرقم التسلسلي (٤١٧٩)

تجديد رخصة

رقم رخصة البناء	٢٧٩٨			تاريخها	١٤٣١/٠٧/٠٢	
رخصة بناء :	اداري تجاري			صالحة إلى	١٤٣٤/٠٧/٠٢	
اسم المالك :	احمد محمد عمر بامعروف					
نوع هوية :	حفيظة نفوس	رقمها	١٠٠٠٤٨٨٣١٠	تاريخها	١٣٧٨/٠٥/٢٥	مصدرها جده
صك ملكية رقم :	٢٢٧٦			تاريخ	١٤١٣/٠٥/١٥	مصدر جدة
رقم المبنى :		شارع		حي	السلامة	
رقم القطعة :	٠			رقم المخطط		

قد رخص للمالك ببناء عدد ١٥ دور بموجب الحدود والأبعاد والارتدادات والبروزات

المحتويات	سكن	تجاري	مواقف سيارات	وحدات أخرى	مساحة الدور
البدروم	٠	٠	٧٦٨٢	٠	٠
طابق خدمة	٠	٠	٦٥٥٥,١	٠	٠
الطابق الأرضي	٠	٤٤٨٦,٥	٠	٠	٤٤٨٦,٥
طابق الميزانين					
الطابق الأول	٠	٢١٩٢,٥	٠	٠	٢١٩٢,٥
الطابق الثاني	٠	٣٤٨٤	٠	٠	٣٤٨٤
الطابق الثالث	٠	٢٧٠٣	٠	٠	٢٧٠٣
الطابق المتكرر	٠	٢٥٣٨٥,٦٩	٠	٠	٢٥٣٨٥,٦٩

إجمالي طول الأسوار (م – ط)		
رقم رخصة المكتب الهندسي	مكتب المهندس مروان بدر الدين عشور	
الرسوم	رقم الإيصال	تاريخ الإيصال
٤٣,٥٠٣,٦٠	٣١٠١١٣٧٩١٧	١٤٣١/٠٦/٢٢

* تم إحضار العقود المطلوبة حسب النظام

عدد الوحدات السكنية ١١٦

رئيس القسم

م/ انيس محمد البركيع

مدير الإدارة المركزية لرخص البناء

م/ عبد الرزاق عبد الرحمن شيخ عطر

الختم

الإدارة العامة لرخص واشتراطات البناء

إدارة المشاريع الخدمية والتجارية

رمز التشغيل

يجب على صاحب الرخصة إلقاء مخلفات البناء/الهدم/الترميم في المرمى المعتمد من الأمانة باستخدام البطاقات المخصصة الممنوحة له عند إصدار الرخصة .
وأن أمانة محافظة جدة في حال تقاعس صاحب الرخصة في توريد الدمارات المقررة ستطبق الجزاءات والعقوبات اللازمة لضمان إزالة المخلفات .

جدة أمانة مشوار الأمانة

002-01-F09; V 3.0

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